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JYVÄSKYLÄN YLIOPISTO
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Finnish Institute for Educational Research

Sara Margarida Alpendre Diogo

CHANGES IN FINNISH AND PORTUGUESE HIGHER EDUCATION GOVERNANCE: COMPARING RESPONSES TO THE BOLOGNA PROCESS AND NEW PUBLIC MANAGEMENT

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MUUTOKSIA SUOMALAISEN JA PORTUGALILAISEN KORKEAKOULUTUKSEN HALLINNOSSA JA JOHTAMISESSA: VERTAILEVA TUTKIMUS BOLOGNAN PROSESSIA JA UUTTA JULKISHALLINTOA KOSKEVISTA KÄSITYKSISTÄ

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Tese apresentada à Universidade de Aveiro para cumprimento dos requisitos necessários à obtenção do grau em regime de cotutela de Doutor em Estudos de Ensino Superior, realizada sob a orientação científica do Doutor Alberto Amaral, Professor Emérito da Universidade do Porto e Director da Agência de Avaliação e Acreditação do Ensino Superior, da Doutora Teresa Carvalho, Professora Auxiliar do Departamento de Ciências Sociais, Políticas e do Território da Universidade de Aveiro e do Doutor Jussi Välimaa, Professor Catedrático e Investigador no *Finnish Institute for Educational Research* da Universidade de Jyväskylä, Finlândia.

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palavras-chave Ensino Superior Português, Ensino Superior Finlandês, Mudança Insitutucional, Implementação política, Governação, Nova Gestão Pública, Processo de Bolonha.

resumo

Esta dissertação compara as mudanças governamentais e políticas nos sistemas de ensino superior (ES) português e finlandês, que emergem de pressões externas similares. Exemplos destas pressões externas são o processo de Bolonha e as manifestações legislativas mais recentes da Nova Gestão Pública (NGP), nomeadamente o novo regime jurídico das instituições de ensino superior (IES) portuguesas (RJIES) e finlandesas (Novo Acto Universitário), visando alterar não só as estruturas de governação institucional, como também as práticas de tomada de decisão.O estudo fornece uma descrição histórica e cultural abrangente dos sistemas de ES português e finlandês, a fim de dar a conhecer a forma como os governos destes países e as suas IES reagem a movimentos de mudança similares. Embora Portugal e Finlândia difiram significativamente em termos geográficos, históricos, culturais e económicos, ambos os países empreenderam recentemente reformas legislativas semelhantes nos seus sistemas de ES, tornando esta comparação relevante no âmbito das políticas de ES. Além disso, apesar de divergirem na sua natureza, carácter, objectivos e nível de aplicação, estas políticas foram implementadas simultaneamente, com o objectivo de melhorar a eficiência e qualidade do desempenho institucional, bem como a visibilidade e competição nacional. Argumenta-se que a crescente internacionalização do ES, a política de *soft law* da União Europeia (UE) bem como a ideologia *managerialista* – também disseminada por relatórios e discursos de organizações internacionais como a Organização para a Cooperação e Desenvolvimento Económico (OCDE) e a UE oferecem explicações para semelhanças em contextos nacionais. No entanto, as especificidades históricas e culturais, e as características estruturais destes sistemas político-administrativos explicam as diferenças nos processos de implementação de políticas e, consequentemente, nos resultados obtidos a nível nacional.

Juntamente com uma vasta análise documental, o estudo é baseado na análise qualitativa estratégica e é suportado empiricamente por 61 entrevistas semiestruturadas a actores-chave, a nível sistémico e institucional, em ambos os países, e em ambos os tipos de instituições de ES realizadas durante os anos de 2011e 2012. Estes actores foram escolhidos devido às suas funções e grau de envolvimento no objecto de estudo: as últimas reformas de governação das IES impulsionadas pela *Yliopistolaki* 558/2009, pela Lei 62/2007 e pelo processo de Bolonha. Assim, os resultados aqui apresentados espelham as *vozes dos praticantes* que se envolveram nessas reformas, tanto ao nível do sistema quanto ao nível institucional. Resumidamente, é possível observar que, frequentemente, a aplicação da legislação nacional em IES é alcançada através de processos *top-down* (principalmente no caso Português) e um misto de estratégias *bottom-up* e *top-down* (mais na Finlândia). Estas estratégias visam alterar a estrutura organizacional das instituições, os órgãos de governação, os processos de tomada de decisão e as condições de trabalho dos profissionais académicos. O estudo revela que actores dentro do mesmo grupo de funções tendem a ter opiniões semelhantes em Portugal e na Finlândia, o que significa que independentemente da nacionalidade, as percepções convergem de acordo com os papéis dos entrevistados.

keywords Portuguese higher education, Finnish higher education, Institutional change, Policy implementation, Governance, New Public Management, Bologna process.

abstract This research compares governmental and political changes in Portuguese and Finnish higher education (HE) systems, emerging from similar external pressures. Examples of these external pressures are the Bologna process and the recent legislative expressions of New Public Management (NPM), including the new legal framework for Portuguese (RJIES) and Finnish (New University Act) higher education institutions (HEIs) which aims at changing not only institutional governance structures but also institutions' management and decision-making practices. The study provides a comprehensive historical and cultural description of the Portuguese and Finnish HE systems in order to build a framework for the advancement of knowledge on how Finnish and Portuguese governments and their HEIs react towards similar movements of change.

Although Portugal and Finland differ significantly in their geography, history, culture, and economic status, both countries undertook similar HE legislative reforms, making the comparison focused and relevant for the study field of HE policy. Moreover, albeit different in character, goals and enforcement level, the policies were implemented concurrently, and both intend to improve efficiency and quality of institutional performance and to enhance national visibility and competition. It is argued that the incremental internationalisation of HE, the European Union (EU) *soft law,* as well as the NPM ideology – also disseminated by reviews and discourses of international organisations like the Organisation for Cooperation and Economic Development (OECD) and the EU offer an explanation for similarities in national contexts. Nevertheless, historical and cultural specifics and structural characteristics of political-administrative systems are considered explanatory factors for differences in policy implementation processes and therefore in national outcomes.

Together with document analysis, the study is based on qualitative analysis and finds empirical evidence on 61 semi-structured interviews to key actors of system and institutional levels in both countries and in both types of HEIs conducted during the years 2011 and 2012. These actors were chosen due to their roles and degree of involvement in the study object: the latest institutional governance reforms driven by the Yliopistolaki 558/2009 and the Law 62/2007. Thus, the findings presented here rely much on the *voices of the practioners* who engaged in these reforms, both at the system and institutional levels.

Briefly, it is possible to observe that frequently, the application of national legislation in HEIs is achieved through top-down processes (mainly in the Portuguese case) and a mix between top-down and bottom-up strategies (more in Finland). These strategies aim at changing institutions' organisational structure, their governance bodies, decision-making processes and professionals working conditions. This study shows that the same group of actors tend to have similar opinions both in Portugal and in Finland, which means that regardless nationality, perceptions converge according interviewees' roles.

asiasanat Portugalin korkeakoulutus, Suomen korkeakoulutus, institutionaalinen muutos, politiikan toimeenpano, hallinnoiminen,uusi julkishallinto, Bolognan prosessi

abstrakti Tässä tutkimuksessa verrataan hallinnollisia ja poliittisia muutoksia Portugalin ja Suomen korkeakoulujärjestelmissä, joihin molempiin on kohdistunut samankaltaisia ulkoisia paineita. Esimerkkejä näistä ulkoisista paineista ovat Bolognan prosessi ja viimeaikaiset New Public Managementin (NPM, uuden julkishallinnon) inspiroimat lakitekstit. Näitä ovat Portugalissa säädetty korkeakoulujen uusi juridinen viitekehys (RJIES) ja Suomessa vuoden 2009 yliopistolaki, joilla kummallakin pyritään muutamaan sekä yliopistojen hallinnon rakenteita että johtamisen ja päätöksenteon käytänteitä. Tutkimuksessa luodaan kokonaisvaltainen historiallis-kulttuurinen kuvaus Portugalin ja Suomen korkeakoulujärjestelmistä, jotta voitaisiin rakentaa viitekehys, jolla edistetään tietoa siitä, miten Suomen ja Portugalin hallitukset ja maiden korkeakoulut reagoivat samanlaisiin muutoksen suuntiin.

Siitä huolimatta, että Portugali ja Suomi eroavat merkittävästi toisistaan sekä maantieteen, historian, kulttuurin että taloudellisen asemansa suhteen, molemmissa maissa tehtiin samankaltaisia korkeakoululainsäädännön muutoksia. Tämä auttaa vertailuaseman fokusointia ja tekee tutkimuksesta relevantin korkeakoulupolitiikan tutkimuksen kentällä. Tämän lisäksi politiikat toimeenpantiin samaan aikaan, vaikkakin ne olivat erilaisia luonteeltaan, päämääriltään ja toimeenpanon voimakkuudeltaan. Molemmissa maissa pyrittiin kuitenkin parantamaan korkeakoulujen suorityskyvyn laatua ja tehoa sekä edistämään kansallista näkyvyyttä ja kansainvälistä kilpailukykyä. Kansallisten kontekstien samankaltaisuutta on selitetty lisääntyvällä korkeakolutuksen kansainvälistymisellä, Euroopan unionin (EU) pehmeällä lailla *(soft law)* sekä NPM:n ideologialla, jota ovat levittäneet sekä arvioinnit että kansainvälisten organisaatioiden kuten OECD:n ja EU:n diskurssit. Tästä huolimatta historiallisia ja kulttuurisia erityispiirteitä sekä poliittis-hallinnollisten järjestelmien rakenteellisia ominaisuuksia voi käyttää eroja selittävinä tekijöinä politiikan toimeenpanossa ja siksi kansallisissa tuloksissa.

Tutkimus perustuu dokumenttien analyysin ohella strategiseen laadulliseen analyysiin ja se tukeutuu empiirisiseen tutkimusaineistoon, joka koostuu 61:stä puolistrukturoidusta teemahaastattelusta, joissa haastateltiin järjestelmä- ja korkeakoulutason keskeisiä toimijoita sekä yliopistoissa että ammattikorkeakouluissa molemmissa maissa vuosina 2011 ja 2012. Haastateltavat henkilöt valittiin ottaen huomioon sekä heidän roolinsa että sitoutumisensa tutkimuskohteeseen, eli Suomessa yliopistolain (558/2009) ja Portugalissa (lain 62/2007) tuomiin korkeakoulujen hallinnon ja johtamisen muutoksiin. Tästä syystä tutkimuksessa saadut tulokset perustuvat paljolti näihin lakiuudistuksiin järjestelmän ja korkeakoulujen tasolla sitoutuneiden käytännön toimijoiden käsityksiin.

Tiivistetysti sanoen voidaan havaita, että usein kansallisten lakimuutosten soveltaminen korkeakouluissa pannaan toimeen ylhäältä alaspäin suuntautuvana prosessina (pääasiassa Portugalin tapauksessa) ja ylhäältä-alaspäin ja alhaalta-ylöspäin toimeenpanostrategian yhdistelmänä (enemmän Suomen tapauksessa). Näiden strategioiden tavoitteena on muuttaa korkeakoulujen organisaatiorakenteita, niiden hallinto- ja päätöksentekotoimielimiä, päätöksenteon prosesseja ja korkeakoulun työntekijöiden työehtoja. Tutkimus osoittaa, että samoilla toimijaryhmillä on taipumus jakaa samankaltaiset mielipiteet sekä Portugalissa että Suomessa. Tämä tarkoittaa sitä, että käsitykset riippuvat enemmänkin haastateltavien ihmisten rooleista kuin kansallisuudesta.

List of Abbreviations

APESP - Portuguese Association of Private HE

ARENE - Rectors Conference of Finnish Polytechnics/Universities of Applied Sciences

A3ES - Agency for Assessment and Accreditation of HE

BFUG - Bologna Follow-Up Group

CCISP - Coordinating Council of the Portuguese Polytechnic Institutes

CHEPS - Centre for Higher Education and Policy Studies

CIMO - Centre for International Mobility

CIPES - Centre for Research in HE Policies

CNAVES - National Council for Evaluation of HE

CRE - Conference of European Rectors

CRUE - Confederation of European Union Rectors' Conference

CRUP - Council of Rectors of Portuguese Universities

DEG - Digital Era Governance

DGES - General Directorate of HE

EAIE - European Association for International Education

EC - European Commission

ECTS - European Credit Transfer System

ECVET - European Credit System for Vocational Education and Training

EFSM - European Financial Stabilisation Mechanism

EHEA - European HE Area

ENQA - European Network of Quality Assurance in HE

EQF - European Qualifications Framework

ERA - European Research Area

ESG - European Standards and Guidelines for Quality Assurance

ESIB - National Unions of Students in Europe

EU - European Union

EUA - European University Association

EURASHE - European Association of Institutions in HE

ESU - European Students' Union

FCUR - Finnish Council of University Rectors

FCT - Foundation for Science and Technology

FENPROF - Portuguese National Teachers' Federation

FINHEEC - Finnish HE Evaluation Council

FU - Unions of Professors, Lecturers & other employers

GATS - General Agreement on Trade in Services

GC - General Council

GPEARI - Office for Planning, Strategy, Evaluation and International Relations)

HE - HE

HEIs - Higher Education Institutions

IMF - International Monetary Fund

KOTA - A Statistical Database Maintained by the Finnish Ministry of Education Containing Data on Universities

LLL - Life Long Learning

MCTES - Ministry for Science, Technology and HE

MEC - (Finnish) Ministry of Education and Culture

NPM - New Public Management

NPS - New Public Service

OECD - Organisation for the Economic Cooperation and Development

OMC - Open Method of Coordination

OKM - Finnish Ministry of Education and Culture

PISA - Programme of Student International Assessment

PMES - Portuguese Ministry of Education and Science

QA - Quality Assurance

RJIES - New Legal Framework for HE Institutions [Regime Jurídico das Instituições de Ensino Superior]

SFSF - Security Financial Stabilisation Fund

SNESup - National Union of Higher Education

SYL - National Union of Students in Finland

UNESCO - United Nations Educational, Scientific, and Cultural Organisation

UNIFI - Finnish Council of University Rectors

WB - World Bank

WTO - World Trade Organisation

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Introduction

Over the last decades, it has been widely acknowledged the growing importance of Higher Education (HE) on political agendas. Perhaps because no area of public policy has been subjected to such radical changes as HE (M. Kogan & Hanney, 2000). This needs to be understood bearing in mind not only social transformations resulting from the massification of HE, but also from new economic, regulatory and social pressures at the global level that have dictated a new era for HE systems, where policy design and implementation processes are no longer exclusively under nation-states' responsibility. Generally speaking, one can say that governments have been losing their exclusivity in the design of educational policies, providing the redefinition of powers and responsibilities of different actors, and also due to the emergence of new levels of governance in this field.

Gradually, the dispersion of authority from the central government combined with a greater awareness of the need to interact with other societal actors (J. Kooiman, 2003) resulted in a reallocation of powers. Consequently, the old social contract between society and HEIs evolved to a redefinition of responsibilities and to the development of the notion of multi-level governance in the HE sector, a movement that cannot be separated from a general rebalancing of Europe's political and economic institutional order (Olsen, 2005). This process is accompanied by an increasing awareness of the importance of knowledge in order to pursue economic development and competitiveness, as well as to improve populations' wellbeing through social cohesion, cultural richness, critical reflection and technological progress. In this way, the integration of educational policies on the social and economic structures of modern societies and vice-versa raised the well-known buzzword of the knowledge society.

At the same time, European HEIs face pressures for reform in order to more efficiently and rapidly answer to the challenges posed by the environments surrounding them and to a better integration and interaction with society. The message entailed in the political and academic discourses is straightforward, especially for universities:

> "Europe has to prioritize university modernization because her universities are lagging behind the best universities in the USA and because upcoming China and India will make competition among universities and economies even stiffer" (Olsen and Maassen 2007: 3).

Nevertheless, the solutions, visions and methods proposed to enhance European universities' competitiveness and attraction vary according to the multiplicity of actors involved and the ideologies and interests they represent. In this sense, the "Europe of knowledge" idea, raised during the Lisbon Process in the year 2000 needs a new pact (Figel, 2006) or, as Olsen (2005a) refers, a deeper reflection upon the question "what kind of University for what kind of society" is needed.

The problem with such a seemingly simplistic approach lies on the fact that universities seem to be experiencing a loss of their cultural, ideological and political distinctiveness as exemplified in their rapidly changing codes of governance and management structures (Reed, Meek and Jones 2002: xx).

Although the HE sector has been undergoing reforms over the past fifty years, it is since the late 1990s that European HE changed significantly (Ferlie, Musselin, & Andresani, 2008), largely driven by the Bologna Declaration (1999), the European Union's (EU) Lisbon Strategy (2000), and changes created by the *Lisbonisation* of Bologna (Harmsen 2013), namely the emergence of the knowledge society and increased competitive pressures from globalisation and internationalisation of HE. In parallel, changes in HE should be contextualised with public sector reforms framed by neoliberalism. After all, both follow similar administrative practices, sponsored by the NPM ideology (Pollitt, Thiel and Homburg 2007). The ultimate objective is "(…) to reform the continent's still fragmented HE systems into a more powerful and more integrated, knowledge-based economy" (CHEPS 2006: 9).

As societies grow in complexity – due to the growing fragmentation of political power, the preoccupation with efficiency as the major criteria for public action and concerns regarding financial constraints, etc. (Salamon 2002: 37) – governments have been "reinvented" and elaborated tools to deal with a multiplicity of scenarios. Thus, new governance approaches aim at governing problems of complex societies, in which attention has shifted "from hierarchic agencies to organisational networks" (*ibid*: 11). This shift makes necessary to study the (relative) and sometimes conflicting influence of NPM and network governance and their interplay in order to understand recent national HE reforms (Bleiklie and Michelsen 2012: 116).

Politically, the Bologna process represents the most far-reaching reform of HE and it traduces the growing geographical and political expansion of the EU. This is probably one of the main reasons explaining why the process has been given so much attention and importance. By involving 48 countries (plus the European Commission), *willing* to undertake a series of institutional reforms in the common ambition of increasing the competitiveness of their HE systems, the Bologna process also reflects the growing internationalisation of this sector.

In order to accomplish international, national, and institutional targets, *soft law* was used to implement national policies' goals. The Bologna process cannot therefore be separated from the new European methodology of policy implementation based on soft law, namely the Open Method of Coordination (OMC). However, although promoting change, it does not guarantee complete convergence, at least at the lowest levels of implementation due to a lack of coordination emerging from different national agendas (Alberto Amaral & Neave, 2009; G. Neave & Maassen, 2007).

Portugal and Finland provide a natural "laboratory" for a case study to analyse recent changes in HE policies. Despite clear historical, geographical, cultural and economic contrasts, they recently implemented similar HE legislative reforms and received similar feedback from the OECD review teams (Kauko and Diogo 2011). Additionally, both HE systems are similar enough being binary systems – universities and polytechnics – to allow comparisons, and where the Humboldtian model of HE organisation still prevails. Furthermore, both are relatively small and peripheral European countries, albeit with different economic structures and international status (*ibidem*). Portugal and Finland have embarked on changes supported by an international context, e.g. assessments from international organisations, e.g. OECD, European Network of Quality Assurance in HE (ENQA,) reports and discourses of the EU, the United Nations Educational, Scientific, and Cultural Organisation (UNESCO) and the World Bank (WB). These international organisations have been powerful agents in the diffusion and convergence of national policies for HE (Martens et al. 2004).

After the implementation of the Bologna process, Portugal and Finland have been introducing relevant changes of the governance bodies of their HEIs. In Portugal, implementing the Bologna process coincided with HEIs' governance and management reform enacted by Law 62/2007 (RJIES) of 10th September, which stipulates the new legal framework for HEIs. In Finland it is easier to separate these events, at least chronologically. The Bologna process was officially implemented during the academic year of 2005/2006 (OKM 2005), and the New Universities Act (*Uusi Ylipistolaki* 558/2009) was enforced in January 2010. Briefly, these changes seek to increase HEIs autonomy, to change HEIs' organisational structures, to change the way funds are allocated and to change the decision-making processes, as well as policies concerning working conditions and human resources' practices.

Despite clear differences of goal ambition and nature, contexts and rationales of both policies, there are overlapping elements that deserve attention, namely the influence of managerialism in these reforms. As Bleiklie et al. (2011: 168) claim, "While the reforms aimed by the Bologna agenda as such have little to do with NPM, its goals of efficiency (and student mobility) are easily associated with NPM". Also Dobbins, Knill, and Vögtle (2011: 665) point to the Bologna process and the spread of NPM as "convergence-promoting processes" which increasingly subject HEIs to competing visions of how university systems and HEIs should be governed. A strong tendency has in fact emerged in which 'Bologna' is equated with predominantly neoliberal or NPM inspired programmes of university reform (Harmsen 2013). Indeed, as Meek (2003: 7) referred, any discussion of HE management needs to be set within the broader context of NPM. Such shift owes much to the financial and logistical resources that the European Commission (EC) has been using

to gain legitimacy, sympathy and freedom of *maneuvre* to introduce a "neoliberal modernisation" agenda in HE systems (Hermsen 2013).

In the signatory countries of the Bologna declaration, the process has played a key role in stoking national reforms of HE (Amaral and Neave 2009; Štech 2011) and there are strong reasons to believe that Bologna is likely to foster changes in national governance structures (Dobbins et al. 2011: 666). In turn, these changes are much due to the EC's ideas on the *modernisation* (i.e. professionalisation of governance) of European universities by means of increased performance, efficiency and profitability, diversification of funding sources, intensification of ties between universities and industries and a closer match between the supply of qualifications and labour market demands (COM 2011).

It was this context that instigated curiosity in a comparative analysis of both Portuguese and Finnish HE systems, assuming that both the Bologna process and governance (and management) reforms are mediated by different national realities. Bearing this in mind, the general research question driving this study aims at understanding how different HE systems and HEIs implement similar *political changes* as the Bologna process and governance reforms. And why there have been similar HE reforms in Portugal and in Finland? What does explain convergence and divergence in (Portuguese and Finnish) HE?

It should be mentioned that the study does not intend to assess the impact of reforms in the HE sector. Reform processes correspond to a long and intensive learning cycle. Implementation takes several years before one can truly assess its impact, if ever this is completely possible (Carvalho 2009: 20). And, as Carvalho refers, it is not always theoretically and empirically viable to separate this impact from other changes, which occur simultaneously in the same political, institutional and organisational environment.

Background and Research Interest

Driven by the ambition of transforming Europe in the knowledge economy through the promotion of the European Higher Education Area (EHEA) first, and later through the European Research Area (ERA), the Bologna process has been successful at the international and national levels, although implementation is so far incomplete at the institutional level (Trends Report V 2007; Eurydice 2010). However, it can also be argued that since 2010, other themes have been focused on the Bologna agenda and with the latest Communiqué adopted in Yerevan (2015), the scope has included the basic processes of HE: teaching, learning and research. Furthermore, both the common learning spaces of the EHEA and ERA continue to miss a connection between them, being this presented as one of the challenges for the following decade (Froment 2010). In this

context, and as HE became increasingly recognised as the main driver for the creation of knowledge societies, the Bologna process is seen as a kind of "flag", an essential vehicle of HEIs *modernisation*, i.e. professionalisation, once institutions do not live insulated from outside influence, and consequently Bologna works as a lever for national reforms (Veiga & Amaral, 2009).

In order to achieve the objectives agreed in the Bologna declaration, the process uses soft law mechanisms aimed at converging the EHEA, making it a more competitive, comparable and consistent learning and research space, not only for citizens of the signatory countries, but also for those who wish to study and/or work in this space. Nevertheless, the different forces that shape the Bologna process, harmonisation vs. diversity, and convergence vs. divergence, can create tensions in governance arrangements of the signatory HE systems, given the changes and purposes the process requires. Furthermore, in terms of (political and social) organisation, European universities are divided between the British and the Continental models. The latter includes the Napoleonic and the Humboldt models, which despite their differences, both converge in the positioning of the state as the guarantor of citizens' education as well as the main entity providing the necessary resources to achieve this. However, at the system level, one observes a greater reluctance to use public money for financing public services (Deem, 2001), a fact that changes HEIs' management practices and the way institutions deliver their mission. This shift is also understood in the light of the NPM normative principles of promoting private-sector practices within HEIs, i.e. management and contractualisation upon objectives, value-for-money, efficiency, customer-orientation service, quality management, steering at a distance, etc. (S Diogo, 2014).

In addition to the international influence on policy design and implementation of HE systems', and the increasing Europeanisation of HE, other drivers of change, namely national and ideological aspects, are also identified in the literature. In Portugal, changes in HEIs governance structures and management practices have been enforced and legitimised by the RJIES, Law 62/2007 of 10th September, which defines the new legal framework for HEIs.

Also the Finnish HE system went through important legislative changes in 2008-2009, culminating in the New Universities Act (*Uusi Yliopistolaki* 558/2009), which entered into force in August 2009. The New Universities Act replaced the Universities Act of 1997, further extending the autonomy of universities. Other changes brought by this Law concern to the status of academia staff who no longer are civil servants and became employed by the HEI where they work (Law 558/2009). Both documents, the Portuguese RJIEs and Finnish Universities Act, allow the transformation of HEIs into public foundations operating under private law or as independent legal personalities.

The integration of these *arrangements* in the HE sector, not only as a result of the Bologna process, but also due to an ideology borrowed from the corporate sector (Santiago, et al. 2006), reflects the new HE dynamics where business terms such as customers, markets, mergers, efficiency, etc. are assuming increasing importance in contemporary professional organisations, such as universities and polytechnics. At the same time, the Bologna process has had more focus on the structural aspects of HE systems, somehow shifting the Bologna agenda direction, which some argue is necessary to create new enthusiasm for the process.

Through a comparative study of both countries and both HE systems, and bearing in mind that the impact of the Bologna process and governance reforms enacted by these pieces of national legislation may be mediated by other variables, this dissertation sheds some light on the process of systemic and institutional change. More specifically, this dissertation compares changes in governance and policy dynamics in Portuguese and Finnish HE by analysing the formulation and implementation processes and instruments shaped by similar *external pressures* in both countries. Albeit different in character, goals and enforcement level, the policies of this study were implemented concurrently, and both intended to improve efficiency and quality of institutional performance and to enhance national visibility and competition. It is argued that the incremental internationalisation of HE, the EU soft law as well as the NPM ideology – also disseminated by reviews and discourses of international organisations offer an explanation for similarities in national contexts. Nevertheless, historical and cultural specifics and structural characteristics of politico-administrative systems (Bleiklie and Michelsen 2012) are considered powerful factors in explaining differences in policy design and implementation processes, as well as national outcomes. While searching for the main drivers of convergence and divergence in both Portuguese and Finnish HE systems, it is expected to understand whether HE reforms in these countries can be labelled as part of the NPM framework, or whether they overlap with other change movements, directly or indirectly linked to international developments and/or globalisation, multi-level governance, etc.

Research Problem and Research Questions

This research aims at building up a comparative model, based in in-depth *case studies* that explore both Portuguese and Finnish HE policy design and implementation processes at the system and institutional levels. It takes as examples the Bologna process and the latest legislative expressions of NPM in said countries. This is achieved by analysing the contexts that allow change to happen, as well as the instruments and mechanisms used to implement and cope with change. The dissertation follows with the institutional level of analysis in order to understand changes in HEIs organisational

structure and in the work organisation of academic communities, which means analysing change in a multidisciplinary environment such as HEIs.

In order to limit "(…) the range in which the researcher must work without rendering his work less comparative" and considering that "the problem approach is more modest than the total approach; it is nonetheless comparative" (Välimaa 2008: 142, quoting Bereday 1957: 14), the following research problem was elaborated:

How do different national HE systems and HEIs implement similar *political changes* as the Bologna process and governance reforms?

In order to explore the research problem, the following research questions (RQ) have been designed to better guide the research process and analysis:

R. Q. 1 - How did different national HE systems and HEIs in Portugal and in Finland cope with similar external pressures as the Bologna process and the NPM? How both policy processes have been designed and implemented in both countries?

R. Q. 2 - Which major changes happened within the organisational structure of HEIs? How did HEIs change their governance and management practices to cope with external pressures?

R. Q. 3 - Is it possible to evidence changes in the way work is organised within HEIs? And in the way decision-making processes are made? How these external pressures/processes influence the way academic work is carried out and in the way academics participate in decision-making practices?

In sum, by operationalising the concept of governance and convergence, the study understands and interprets how changes introduced by the NPM and the Bologna process interfere with the organisational dynamics that shape the organisation and management processes of HE and the performance of the professionals/staff working within these institutions. Furthermore, this interpretation is enriched by the visions that actors in both countries have on the impact of these reforms in their HE systems and HEIs.

Briefly, change is understood here as the result of the policy design and implementation processes of the Bologna process and both Laws redefining the legal framework of Portuguese and Finnish HEIs, i.e. Law 62/2007 and Law 558/2009 respectively. Change is thus being intrinsic to policy making (Saarinen and Välimaa 2012).

Research Approach – Why to Compare?

Due to the nature of this study, a comparative approach as a method of inquiry and as a frame of analysis is used. It shares Nóvoa and Yariv-Mashal's opinion (2003: 426) who explain that the recent popularity of comparative education must be seen in the light of increasing

internationalisation of educational policies which leads to the diffusion of global patterns. As such, national governments seek "international educational indicators" in order to build educational plans that are legitimised by a kind of "comparative global enterprise" which helps to justify their decisions (2003: 425).

A qualitative case(s)-study is being used to understand how such different countries have developed their paths of policy implementation in HE, bearing in mind their specific cultural and time-space contexts. It is acknowledged the importance to leave sufficient leeway for each country specific characteristics. Additionally, the greatest richness and complexity in trying to grasp the Bologna process and its (hypothetical) impact in any of the signatory countries' governance structures and procedures is its multiplicity of levels and actors as well as their inseparability of a global context in which HE systems operate.

At the present moment, several political entities and organisations define and implement educational policies at global, European, national, regional and local levels, conferring special interest and complexity to the study of HE systems, where the interaction between HEIs, national governments and intermediary institutions play a crucial role within these dynamics. The value of a multi-level and multi-actor analysis is simultaneously a challenge and an asset to this comparative study. Indeed, providing the complex nature of the Bologna process, methodologically, comparison appears *naturally* as the most appropriate approach to this type of research: a comparative design with *case studies* covering the evolution of governance structures of both Portuguese and Finnish HEIs. As can be read in Goedegebuure and Van Vught (1996: 371), quoting Swanson (1971: 145): "Thinking without comparison is unthinkable. And in absence of comparison, so is all scientific thought and scientific research". Nevertheless, although many authors believe in the relevance of comparison as the ideal methodological approach for the advancement of knowledge in several fields of study, namely in social sciences, it is important to specify what is meant by *comparative studies* and *comparative approach*. Based on the previous work of Goedegebuure and Van Vught (1996), comparative studies are defined as "… studies using comparable data from at least two societies (Armer 1973, p.49) or as a form of multilevel research (implying comparative analysis both within and across systems) (Przeworski and Teune 1970, pp.50-51) (1996: 371)".

Following Goedegebuure and Van Vught (1996), and looking at the comparison approach within the education field, Välimaa (2008) considers another classification able to give causal explanations to educational phenomena. This is provided by Rossello (1960), who distinguished between *descriptive* comparative education (documents' collection, observation, and comparison of facts in order to describe differences and similarities), and *explanatory* comparative education, which involves investigation of the causes of the comparative phenomena and, if possible, prediction as

to their future development. As mentioned before, it is our aim to pursue an explanatory study, which according to Rossello, and as explained by Välimaa (2008), is academically more demanding and also more useful, once causal explanations can be used by decision-makers (2008: 153).

Complementing these ideas, and also focused on the nature of the object of the study and aims of the research, Mark Bray (2005) wrote more recently that comparative education research relates to cross-national analyses, encouraging its participants to be outward-looking, responding to changes at a global level. Furthermore, as defended by several authors (Rothblatt and Wittrock 1993; Teichler 1996; Bray 2005), one of the greatest benefits of comparative studies is that they allow us to define and even prioritise different dimensions to be studied, making it easier to understand their social dynamics (Välimaa 2008).

That being said, and after analysing each country's historical and social background, especially focusing on their HE paths, as well as their political-administrative structure to better grasp the role of the state in the public sector, two main dimensions of analysis will be contrasted. These dimensions cover both the system and institutional level of analysis: i) the organisation and implementation processes of the Bologna declaration and the legislative framework aiming at changing HEIs' governance at the national level, and ii) the translation of theses processes at the institutional level (i.e. changes in the way HEIs are steered and in their organisational structure; governance instruments; changes in decision-making practices and in the academia working conditions). The study of these aspects confirm the idea highlighted by Bray (2005: 37) that comparative education is, by nature, an interdisciplinary field, providing simultaneously a valuable meeting point for disciplinary perspectives (Bray 2005: 37).

Following recent developments in the EHEA architecture, promoted through the Bologna process and governance reforms, a comparative methodology provides a method of analysis which allows to evidence similarities and contrasts in relation to a specific issue or several objects of study (Rothblatt and Wittrock 1993). "(…) by merely posing the question does focus attention on comparison, and this in turn leads us toward new questions, new puzzles, new sequences, and perhaps new data" (*ibidem*: 7).

Within the sphere of comparison studies, and of particular importance for this research, one finds comparative policy studies. These aim at understanding the rationale and the procedures that different governments use to steer and simultaneously to legitimise their actions, e.g. they aim at clarifying the (possible) consequences and ambitions of governments taking particular measures of action (or inaction) (Goedegebuure and Van Vught 1996). According to Goedegebuure and Van Vught (1996), comparative policy studies have been of most importance since mid 1970s and knew great development in those sectors where governments play a key role in terms of decision making

concerning areas such as education, health and housing (*ibidem*: 377). This is certainly the case of HE, in which comparative policy analysis has only been developed quite recently – from the mid 1970s. The analysis of both dimensions of action will then allow for building up a comparative framework, where each country's differences and similarities will be mapped.

Relevance to Research and Practice

This study seeks to make a relevant contribution to comparative HE research, both theoretically and empirically. It aims to put forward a framework for the study of (policy) change in the HE sector and to advance knowledge on how Finnish and Portuguese governments and their HEIs react towards similar pressures and movements of change. As Amaral, Jones and Karseth (2002) refer, "there is much that can be learned by stepping outside national boundaries in order to look at common issues and contrasting experiences through cross-national analyses" (2002: 279).

Through comprehensive historical and cultural descriptions of the Portuguese and Finnish HE systems (solid grounded in an extensive literature review) and four HEIs, this comparative study intends to look across specific national perspectives in order to identify convergent and divergent factors capable of explaining why such different countries implemented reforms in an apparent similar way. What does explain similarities and differences in different HE governance and management settings? Thus, both theoretically and empirically, this research provides a *conceptual map* to explore common issues and unique phenomena, as well as to find causal relationships.

The Bologna process and both the Law 62/2007 and Law 558/2009 are used as examples of policy changes, originated from different sources and levels of action, but that ultimately had to be implemented and institutionalised at the different *hierarchies* of HEIs. To focus on both levels of analysis – systemic and institutional – allows us to better understand and ground the conditions of policy (in)effectiveness that are *common* to other countries (Enders 2004: 372), as well as to identify differences and *best practices* of both countries. Thus, following Bleiklie and Michelsen's (2012: 113) argument that there is a study gap on "questions about policy making, such as how and by whom HE policies are designed", this study contributes to the field of HE research by interlinking two reform processes apparently very distinct, although the researcher considers both of them as NPM expressions. Concurrently, by analysing policy trends in Portuguese and Finnish HE systems, this research is also relevant due to the relationship it establishes among different layers of institutional governance.

Focusing on the institutional level after a system level analysis, and bearing in mind that HEIs are organisations with deeply embedded values, cultures and traditions, allows grasping institutions' behaviour and actions when national policy-making meets the multidimensionality of HEIs (Enders

2004; Stensaker et al. 2008). In this case, a ground study is provided on how Portuguese and Finnish HE systems and HEIs change under internationalisation pressures and convergent movements.

Ultimately, there are personal motivations and hopes with this dissertation. In the last decades, Finland has became a model in educational policies. It was a privilege to have had the possibility of living, studying and analyse the Finnish HE system. It is an *ambition* to be able to contribute to discussion on HE policies of the researcher's home country.

Structure of the Study

The study is organised around seven chapters structured as follows: after a general introduction to the research topic, motivations and rationale for this research, the first chapter approaches the macro context where HEIs and HE systems act: global, international and Europeani. Chapter two continues with the analysis of change contexts, although the focus is on the operationalisation of the governance concept and governance theory. These two chapters portray the evolution of the role of the State in HE and they are essential to make sense of organisational change and HEIs' behaviour. Institutionalism is then presented in the third chapter and serves as an analytical tool, i.e. as spectacles to interpret the behaviour and visions of system level and institutional level actors about the processes of change analysed here. In chapter 4 both Portuguese and Finnish HE realities and traditions are described in order to contextualise the reader on the cases selected and on the findings extracted and presented in this manuscript. Chapter 5 outlines the methodological approach and discusses the research process *travelled* to obtain answers for the research questions. After this *journey,* chapter VI presents the data obtained and treated and discusses the findings retrieved as well as the national and intuitional contexts where change was accommodated. An international comparative analysis is then presented. The last chapter of the study presents the conclusions and reflections about the study while it suggests topics and questions for further research.

The appendices present the empirical background material essential for a "complete vision" of the change processes discussed here.

Part I

Steps towards a Conceptual and Theoretical Framework: interconnectedness of concepts and ideologies

I
Globalisation, Internationalisation and Europeanisation of HE

Globalisation and internationalisation have become two key concepts widely used in academic and policy discourses describing European HE, especially since the 1990s. As part of this development, the concept of Europeanisation has been extensively applied, denoting a change in HE dynamics, and the geographical expansion of the EU. European boundaries are increasingly wider, and with the Bologna declaration the definition of the EHEA is even larger (Olsen 2002: 927). As with all three concepts, globalisation, internationalisation and Europeanisation, the general problem seems to be that the interpretation in use is left unclear. Indeed, as the process of internationalisation of HE became clearer over the past decades, both in response to and in conjunction with the broader process of globalisation (Santiago et al. 2008), the confusion in the terminology of both concepts also started to be evident.

Although their meaning is often unclear and there are several interpretations and dimensions for them, it is of relevance to understand how they impact on international, national and regional coordination and policy convergence. HE policy design increasingly takes into account the global, international and the European levels as fields of action and, internationalisation policies have been studied and discussed from several perspectives, according to the different objectives they aim at. It is thus intended to give a focused view on these concepts based on a comparison between Finnish and Portuguese HE legal reforms in order to build theoretical leverage and focus. It seems thus more complex to draw a distinction line between globalisation and internationalisation, once there are not ideal forms of these processes and the distinction between them is "... a dualistic over-simplification, that obscures from view both the differences between the two processes and the manner in which they feed each other (Marginson and Wende 2007: 11).

With respect to "globalisation", Enders (2004) frames this process after the 1970s, by referring to the main changes that happened since then:

> "(…) advances in information technology, greater capital flow across borders, international mobility of labour or of students, new public management and the weakening power of nation states, credit transfer in HE and international recognition of degrees" (2004: 367).

Nevertheless, as Marginson and Wende (2007) point out, although this process apparently refers to a broader concept than "internationalisation", the "globalisation" phenomenon is not universal, once it acts differently according to the region, language and academic culture in question (2007: 5). In this sense, globalisation can be explained as a more "active", a more "transformative" process than internationalisation once it interferes directly with the economic, culture and political core of nations (2007: 11). Also Enders (2004) takes into account the redefinition of economic relationships

around the world. He explains that the process of globalisation is related with a restructuring of the nation state, "… through the deregulation of legal and financial controls, the opening of markets or quasi-markets (including in HE), and the increasing primacy of notions of competition, efficiency and managerialism" (2004: 367). However, as Marginson and Wende (2007: 12) advert, the meaning of globalisation should never be regarded as a higher form of internationalisation.

Sharing a similar point of view, Beck (1999) criticises the concept of *mcdonaldisation* to explain that although the symbols seem global (e.g. McDonalds franchise), there are numerous local practises to use them (1999: 93-99). In fact, there is a common trend to employ the term "global" to depict supranational trends and policies related to marketisation (Teichler 2005), often neglecting the importance of local factors and actors (Deem 2001; Santos 2004), a fact which, in the opinion of the sociologist Boaventura Sousa Santos contradicts the true meaning of the globalisation process:

> "… there is no genuinely global condition; what we call globalisation is always the successful globalisation of a particular localism. In other words, there are no global conditions for which we cannot find global roots, either real or imagined, as a specific cultural insertion. (…) globalisation presupposes localisation (…). In fact, we live as much in a world of localisation as in a world of globalisation" (Santos *in* interview to Dale and Robertson 2004: 148).

Although more specifically referring to the US reality, also Douglass (2005) defends that globalisation relates much to local conditions and therefore all globalisation is, first of all, local. Thus, political convergence in HE is not only an outcome of the growing internationalisation of the sector, which neglects the importance of local factors and actors (Santos 2004). Also Deem (2001) points to the importance of localised factors in explaining changing management practices and the institutionalisation of a managerial ethos. These localisms are cultural factors (new ideas about knowledge), social factors (new and more diverse student groups), as well as economic factors (declining of public funding) at work in universities (2001: 11).

In the same line, Altbach (2004) explains that since the beginning of their existence, HEIs faced "... tensions between national realties and international trends" (2004: 5). As an example, the author compares the importance that English assumes nowadays in the academic world, with the predominance that once Latin, and later on German, assumed. Thus, according to Altbach (2004), academic systems may accommodate these developments in different ways, but they cannot be ignored. Not even the idea that innovation and knowledge transformations circulate easily nowadays due to modern technology. In this sense, and returning to the starting point of the globalisation concept analysis (there is no single form of globalisation and this is not a universal phenomenon), one can easily recognise that "... the world of globalised HE is highly unequal" (Altbach 2004: 6).

Parallel to this inequality, one finds the emerging role of international agreements and frameworks related to education, as for example the WTO (World Trade Organisation), the GATS

(General Agreement on Trade and Services) and their impact on national HE systems. As the WTO seeks to establish education as one of twelve internationally traded services and to reduce national controls over its regulation (including accreditation, Douglass 2005: 451), under the argument that knowledge is a commodity like any other, WTO argues that it should be freely traded around the world. Towards this view, one might perceive a negative influence of GATS in (some) HE systems. As such, Altbach (2004) warns to the fact that:

> "Since developing countries typically import rather than export their educational products or institutions, it is unlikely that GATS would promote their exports. Developing countries represent the markets that sellers from the industrialised world are eager to target. Most developing countries, having few educational "products" to export, would be at the mercy of the multinational providers (2004: 23).

This goes much in line with what Maassen and Cloete (2002) also highlighted concerning to the challenges that globalisation poses for the nation-state. Whether, on the one hand they are expected to create the conditions for economic and social development, predominantly by producing more and better-educated citizens and increasing knowledge production, on the other hand, globalisation introduces pressures to reduce the role and contribution of governments in education. Therefore, "... the double-edged challenge is to produce more graduates with high-level knowledge skills, but with less direct government support per graduate" (2002: 30). Bologna seems thus a good recipe for this "plan" of producing more graduates with less government support. At least in Portugal, and although many degrees have incorporated the master programme, the fact that the 1st cycle of studies was reduced from 4/5 years to 3 years implies that the government saves some money with student support. In turn, Finland (as well as Denmark and Norway) is clearly an exception, once it has the privilege of having one of the most publicly funded HE systems in the world (Cai and Kivistö 2011), where 1,6% of Finland's GDP is spent on HE, both on institutions and subsidies to households (OECD Finland 2007) and where there are no tuition fees.

An interesting view is introduced by Santos (2004) who argues that there is in fact a certain contradiction in the influence of globalisation in the role of the nation-state. Santos (2004) explains that while, on one hand, the state seems to have been losing power and strength in its capacity to organise and regulate social life, on the other hand the State continues to be the central political entity, mainly because the institutionalisation of globalisation itself is created by the core nation-states (Dale and Robertson 2004: 148-149). Complementary perspectives are discussed by other authors who, mainly referring to the Nordic countries, have argued that HEIs

> "(...) have been at the crossroads of many aspects of the processes of globalization because, for centuries, universities have argued for continuing disciplinary-based, international traditions. Simultaneously, however, universities have been national cultural institutions taking care of the education of the national elites (...). Furthermore, universities have provided a cultural and an

> academic basis for disciplines (...) supporting the existence of a nation state as a social entity (Välimaa 2010: 1).

Again, one of the main distinguishing factors when analysing both globalisation and internationalisation issues can be observed: the *impossibility* to remain immune to globalisation trends and effects.

Contrary to the meaning of globalisation, which, in the words of Scott (1998) encourages the homogenisation of cultures, "internationalisation" differs from the concept of globalisation considering that it relates more to the role of the nation-state. Scott (1998) argued that although HEIs often see themselves as objects of globalisation, they are also its agents. Also Huisman and van Vught (2009: 17-18) add that the European university has been international since its existence – many universities provided temporary academic homes for European scholars. As a European institution, the university reflected European values of intellectual freedom and of a borderless academic community (*ibidem*). Nevertheless, Huisman and van Vught (2009) also draw attention to the increasing relevance of the "nationalisation" of science and (higher) education, a sign which might indicate a new phase of academic "Europeanness" (2009: 18).

As national institutions, universities worked as symbols of the sovereign state and, especially in Finland and in Norway, they have been strong institutions in the creation of national identities (Wittrock 1997; Beerkens 2004; Välimaa 2010). Furthermore, as recently Stensaker et al. (2008) concluded in a study of some Nordic institutions, internationalisation is perceived as an inherent dimension of scholarship. Stensaker et al. (2008: 6) explain that this finding reflects not only an ambition that Nordic HEIs try to achieve, but also their long history of internationalisation activities within this region, such as the Nordplus-exchange programme that exists since 1988.

Through similar pathways, it can be said that the main rationale for *internationalise* Portuguese HE is the idea that "it is not possible to vindicate the quality of the education system isolated from the international, and in particular the European context" (OECD 2006: 178). In this sense, several initiatives (e.g. creating special regimes for students from the ex-colonies to access HE, both in public and private HEIs in both subsystems) were carried out in countries where Portuguese is the official language (Angola, Mozambique, Cabo Verde, Guiné Bissau, S. Tomé e Príncipe – the African Countries with Portuguese as official language, PALOPs – East Timor and Brazil) (OECD 2006: 179). All these steps correspond to the definition provided by Altbach (2004) on the topic. According to the author, internationalisation "… includes specific policies and programmes undertaken by governments, academic systems and institutions and even individual departments or institutions to cope with or exploit globalisation" (2004: 6). Altbach explains that there is a certain freedom for institutions and governments to decide on how to react, how to respond and to what extent they want to be involved in an increasingly globalised knowledge economy. When institutions

decide they want to perform at the international level, it is a *voluntary* decision and they have much room for initiative. Thus, "(...) while the forces of globalisation cannot be held completely at bay, it is not inevitable that countries or institutions will necessarily be overwhelmed by them or that the terms of the encounter must be dictated from afar" (Altbach 2004: 6).

Examples of "international" initiatives and strategies to meet the globalisation challenges and remain competitive in the EHEA are provided by the case studies analysed here. As other signatory countries of the Bologna process, Portugal and Finland aim at increasing the percentage of foreign students in their countries. In this sense, the Finnish Ministry of Education and Culture (OKM) developed in 2001 a new internationalisation strategy for Finnish HEIs (*Korkeakoulutuksen kansainvälisen toiminnan strategia*), which requires Finnish institutions to teach more programmes in English and to establish more cooperation initiatives with Russia, Central and East European and Asian countries (OKM 2012).

On its part, and in addition to the example referred above, Portugal has been promoting international partnerships and programmes with worldwide reference institutions (Massachusetts Institute of Technology, Carnegie Mellon University, University of Texas at Austin, the Fraunhofer Society and the Erasmus Mundus Master and Doctoral programmes, for example, which are considered a Europe's flagship programme for worldwide academic cooperation), as well as offering dual degrees with foreign partners and promoting the attractiveness of the country to students from other countries (MCTES 2008). As such, following Altbach arguments, Marginson and Wende (2007: 11) explain that internationalisation should be understood in its literal sense, as inter-national, once the term itself "(...) refers to any relationship across borders between nations, or between single institutions situated within different national systems". As a matter of fact, the idea that within the internationalisation sphere, the importance of the nation-state still plays a determinant role is very consensual in the literature. Faced with this *political reality*, as Enders (2004) calls it, the policy emphasis should be "(...) on the building of strategic international relationships, based on mutual co-operation and also on mutual observation" (2004: 367). In this way, the OMC represents a kind of alliance among national governments to steer HEIs

Another important point that stands out from the literature concerning the debate "internationalisation vs. globalisation" is the evolution in the definition and meaning of the word *internationalisation*. The range of internationalisation activities that HEIs are willing to do today goes far beyond students' and academics' mobility. Stensaker et al. (2008) explain that the reasons leading HEIs to engage in international activities relate to academic, social/cultural, political and economic aspects. While academic and social reasons are usually considered 'old' forms of internationalisation, which are intrinsic to institutions, political and economic reasons are generally associated with 'new'

forms of internationalisation that require institutions' adaptation to external forces (2008: 4). The same institutions usually accommodate both 'old' and 'new' forms of internationalisation and it is probably difficult to analyse which one prevails. As examples of both forms of internationalisation, one can see the developments and mixture in the number of programmes taught in English; research cooperation activities; the internationalisation of the curricula, the *multinationalisation*[1] of HE (joint programmes and curricula); improvements in the ways of HE delivery (blended learning programmes due to the technological "revolution"); scholarship programmes (ERASMUS, SOCRATES, TEMPUS) and new international agreements (Altbach 2004), as the Bologna and the Copenhagen processes. It is thus commonly argued that HE is becoming increasingly international, at least in terms of university alliance, international research consortia (Deem, Mok and Lucas 2008) and even institutional mergers. Teichler (2004) questions such an idea as universities have long been considered one of society's most international institutions:

> "The knowledge stored, generated and transmitted is often universal (i.e. not systematically bound by borders). It was viewed desirable in higher education since a long time to gather information from all over the world and to generate innovation on world scale. Most academics hold cosmopolitan values in high esteem. Border-crossing communication and border-crossing reputation seem to be viewed as almost identical with 'quality', the most positive thing in academia (Teichler 2004: 8)".

In fact, from the perspective of the nation-state, the internationalisation process is still the one that prevails. It is also acknowledged that both Portuguese and Finnish institutions and governments have been using these different approaches to internationalise their HE systems in order to respond to "... the widening, deepening and speeding up of worldwide interconnectedness" (Held et al. 1999: 2). As both concepts encompass multiple meanings, and "(...) the process of internationalisation in HE cannot be interpreted independently of the parallel process of globalisation in the economic and social sphere" (Santiago et al. 2008: 236), it is actually easier to distinguish them through the identification of their similarities and differences. As Knight (2001) describes, "one can think of globalisation as the catalyst, but of internationalisation as the response, albeit a proactive response". A good example for this *metaphor* is the Bologna process as an international political agreement superseded the European region, and it is based on a shared view of globalisation's new challenges for HE and of the way institutions are called to respond to them (Vaira 2004).

Apart from definitions and divergent views on the debate "globalisation vs. internationalisation" and their influence in the nation-state's preponderance, the main interest is to understand how these phenomena affect the object of study, whether global forces do or do not shape patterns within particular countries and institutions (Bray 2005: 45-46). In this sense, one

[1] Altbach (2004: 16) explains that the *multinationalisation* of HE emerged from a global education market place in the form of a variety of multinational HE initiatives.

cannot forget that the literature has also highlighted the relation between globalisation and neoliberalism (Vaira 2004; Santos 2004; Mayo 2009), an ideology that over the last decades has been constantly present in public policy and governance, therefore underlining hegemonic and neoliberal globalisation (Santos 2004: 150; Mayo 2009: 95). As Santos (2004) refers, "Neoliberalism is the political form of globalization resulting from US type of capitalism" (2004: 151). And this is a *natural connection* if one remembers the principles defended by neoliberal governments and which led to a shift from govern*ment* to govern*ance*: open markets, free trade, decreased state intervention in the economy, as well as reduction of public spending in the public sector in general, deregulation of markets, and a strong emphasis on the use of private sector mechanisms to regulate public institutions, which are considered inefficient, unproductive, and socially wasteful, accompanied with control and evaluation mechanisms to access institutions and actors' performance and outcomes (Vaira 2004; Pollitt et al. 2007; Torres 2010).

As the process of globalisation cannot be dissociated from ICT and technological developments, also the knowledge production for competitive purposes is now a reality of knowledge societies. According to the literature (Knight 2003, 2007; Vaira 2004; Altbach 2004; Enders 2004; Marginson and Wende 2007; Wit 2007) this change in social relations and interactions in the knowledge economy was possible due to the faster flow of communications, the shift in the occupational structures from manual workers to highly educated and flexible knowledge workers; and, consequently, on the role of educational institutions to form the human capital fitted to these developments. Nevertheless, as referred by Amaral and Teixeira (2000), Vaira (2004) and Santos (2004), all these shifts do not occur mechanically, they are much supported worldwide by some supra-national financial agencies, such as UNESCO, the WB, the International Monetary Fund (IMF) and OCDE (stronger proponents of the neoliberal credo) that disseminate this ideology worldwide. Referring to the OECD influence on HE reforms, Amaral and Neave (2009b) claim that "the OECD contributes directly to disseminating neo-liberalism not only by showing that the doctrine works, but that it is an appropriate framework within which plausible solutions may be sought, identified and acted upon" (2009b: 94). "Thus, they contribute to construct, present, represent and objectify these rationalized myths and the new related challenges, ends and means as an 'objective reality'" (Vaira 2004: 488). Nevertheless, and as highlighted by Martens and Wolf (2009), the fact that national governments are increasingly using such organisations as "internationalisation sponsors" of their HE systems, may contribute to a general weakening of the state's role in education policy. Martens and Wolf (2009) explain that if, on one hand, the "instrumentalisation" of international orgnisations gave more manoeuvre to the nation-states in terms of education policy by enlarging the national executives' area of competence, on the other

hand, it also reduced its power by allowing that other actors introduced "new norms and forms of governance that have reduced steering functions of the state in general at both the national and the sub-national level" (2009: 84). This is possible due to what Johanna Kallo (2009) has called "other effective forms of soft laws", as for example, peer reviews, recommendations, and indicator studies combined with EU's methods, which aim at steering the national level decision-making, HE agendas and future legislative reforms (Kallo 2009). In fact, pressures for institutional efficiency, accountability and quality control have also been legitimised by the OECD normative discourse on national HE policies, as the OECD has been contributing actively to the development of international benchmarks and good practices (Ferlie et al. 2008: 333). Gornitzka (2007: 161) goes further and states that the OECD must be seen as a core international site where the idea of the knowledge economy has been pushed.

That being said, the researcher believes that internationalisation embeds a more state-centred actor perspective where globalisation emphasises global actors and trans-national networks. The essential distinction between both concepts is mainly in the level of agency. The word *internationalisation* stands for the international activities through nation-to-nation collaboration and engagement. It involves multilateral cooperation agreements among institutions and their governments (Teichler 2004: 6). The term *globalisation* refers to a much more complex and dynamic process of interconnectedness of HE on a planetary scale. Here international organisations have a more important role, as the level of agency is global. A good example of a regional-scale (or a local model, as Santos would call it) globalisation is *Europeanisation*, where the level of agency is European (c.f. Held et al. 1999; Santos 2004).

The agency role of these supranational organisations is important to understand how global forces shape and influence national and institutional decisions. This happens through a twofold process, as Vaira (2004) explains. On one hand (and here the focus is mostly on the OECD and the WB and, to a certain extent, to the EC, although these last two international organisations differ greatly in their legal binding nature), by incorporating, translating, legitimating and disseminating the wider rationalised myths, these organisations develop a general and common framework defining the new context and imperatives in which HEIs have to operate nowadays. On the other hand, by acting as dissemination agencies on a global scale, "(...) they contribute to construct and structure a de-localized and global organizational field (DiMaggio and Powell 1991) that both national HE policies and institutions have to face and in which they operate" (Vaira 2004: 488). Thus, as both the Finnish and Portuguese cases exemplify, since the moment these organisations define the counters of HE at the global level (as the EC and the OECD specifically do), it seems that similar policies (recommendations) are applied to different local contexts (cf. chapter IV). This,

in turn, provides national governments with large room of manoeuvre to legitimate reforms and to install new regulatory frameworks for their HE systems.

This relationship between national governments and international organisations can also be seen in the light of the principal-agent theory, considering that the governments (principals) delegate implied authority to international organisations (agents), even when the principals know that their agents may have interests of their own (Martens and Wolf 2009). In the classic explanation, agency relationships are created when one party, the *principal*, enters into a contractual agreement with a second party, the *agent*, and delegates to the latter responsibility for carrying out a function or a set of tasks on the principal's behalf (Kassim and Menon 2002: 2). Kassim and Menon (2002: 2) explain that the aim of establishing a contractual relationship in principal-agent terms is to evidence the difficulties that arise due to an asymmetric distribution of information that favours the agent. This asymmetry of information might allow the agent to engage in opportunistic behaviour (*shirking*) that is costly to the principal, but difficult to detect (*ibidem*).

1.1 Europeanisation and European Integration

The debate about Europeanisation summarises most of the topics touched upon above. This fashionable but contested term (Johan P. Olsen, 2002) started to emerge when shifts in relation of domination became a reality. Olsen (2002) explains that in the same way that the concept of *Americanisation* gained relevance, the term *Europeanisation* has been assuming prominence as changes in an established hegemony have been taking place, and Europe is playing a more central role at the global scene (2002: 926). Additionally, the author refers that historically, Europeanisation has been understood as the spread of European patterns of living and culture, including eating, drinking and religious habits which are unknown to countries outside the European boundaries. Thus, what has changed in this conceptualisation, and what does this mean for HE?

As a relatively new concept within the HE field, the term Europeanisation is extremely connected to the expression *knowledge economy* and also to international cooperation and mobility agreements. Very often it is also used to refer to European integration and political convergence. Integration in the sense or as a synonymous of building a common market, sharing decision-making powers, and getting closer in terms of cultural identity, e.g. integrate a common system of European governance (Kohler-Koch 2005: 92).

With respect to HE, the term Europeanisation originates in the explicit commitment to a common European HE zone in order to facilitate such international activities within Europe (Marginson and Wende 2007: 12), a kind of *reordering* of inter-national powers and diversities. Thus,

one can say that the Bologna process is the *visible* face of Europeanisation, and consequently of European integration, once it has been enacted by an intergovernmental initiative of several nation-states aiming, among other objectives, to construct and converge a common space of HE. In this sense, one should understand the Europeanisation process as a phenomenon also extensible to those countries from other continents wishing to integrate the EHEA and/or that simply wish to modify their HEs systems, resembling them to the "European context". Nevertheless, one of the implications of this process is that Europeanisation implies a greater de-nationalisation and integration of certain regulatory systems (Beerkens 2004; Gornitzka 2007), despite all the barriers inherent to national political sensitivity and systemic diversity. These transformations of national legal frameworks clearly have a European dimension, as it is required by the national implementation of the Bologna process (Gornitzka et al. 2007). Thus, in the same way that HEIs choose different international strategies to play in a global environment, so the nation-states do in order to enhance their attractiveness in the Bologna space and to cope with European integration. An example of changes in national regulatory frameworks brought about by Europeanisation is the case of joint Erasmus Mundus master degree programmes (other examples could be the TUNING project and the Tempus and Asia-link) selected by the EC:

> "These programs operate in a grey zone between national legal frameworks and European level integration ambitions. National participation in the establishment of a joint Master degree program and the issuing of joint diplomas have de facto implied regulation changes at national level and changes in local rules. This is a consequence of an indirect pressure on national regulations from the institutions that are participating in this scheme. Pressure on national regulations and policies stems from the European Commission, but also from transnational actors, notably the European University Association (EUA) that actively promotes the development of joint degree programs, amongst other things, as part of its participation in the Bologna process (Gornitzka et al. 2007: 200).

A too *optimistic* view of this integration might be seen in the creation (*n*th attempt) of an institution of HE in the same pattern described by Walter Rüegg in 1992: "the university is widely regarded as 'the European institution *par excellence*' in terms of its origins and characteristics". By other words, European integration could mean the efforts to re-create a truly excellent area where the primary functions of the university would do justice to the origins of European universities, maintaining the diversity and uniqueness of each HE system, considered once one of the most valuable European assets. Nevertheless, in practical terms, Europeanisation does not work as a linear process and it raises contentious and complex debates about whether HE should remain completely and exclusively under the nation-state responsibility, under European/international orientations or in a somehow hybrid process between both levels. Simultaneously, one should not forget that the environments where HEIs operate nowadays are different than they were some decades ago: they are now more demanding, complex, and diverse and they change faster. This is

also why, when referring to the implementation of policies derived from the Bologna process, it is not (completely) accurate to talk about a separation of levels, or "fields of social action" (Bleiklie, Høstaker and Vabø 2000: 16) where change occurs (cf. chapter IV). By other words, we are now acquainted with the fact that European HE policy formulation does not happen either exclusively or unidirectional at the nation-state level.

With respect to the dynamics of change created under the umbrella of the Bologna process, it is visible that after policies being formulated as top-down processes, they are then translated into law by national governments and ultimately applied to the institutions. This is why decisions in the different contexts of HE are highly interwoven in a number of different ways making unsuitable to separate the different levels of action (Bleiklie et al. 2000: 15).

In order to better understand how the term can be fruitfully used when analysing institutional dynamics occurring among HE systems, it is essential to clarify what is changing at the European level, how this process takes place, and why it happens in such a way. Then, it is possible to understand how the process of European integration *affects* Finnish and Portuguese HEIs within their national contexts. This analysis is based on Olsen's framework (2002), which identifies five possible answers for the questions: *what is Europeanisation?* and *what is changing*? (2002: 923-924).

As mentioned in the introduction section of this chapter, one of the main (visible) changes relates to external boundaries, namely the geographical expansion of the EU. European boundaries are increasingly wider and, with the Bologna declaration that now involves 49 countries, the definition of Europe is even larger. Indeed, the enlargement of the European space has been a recurrent process (Olsen 2002: 927), as the number of the Bologna signatory countries increased. In 1999, when 29 ministers of HE signed the Bologna declaration, 15 countries belonged to the EU[2]. Today, in 2015 and after several stages of enlargements, there are 28 member states constituting the EU and 49 countries that joined the Bologna reform. The EU is more diverse than ever (Oosterwijk 2008: 61). In turn, the Bologna process philosophy seems that of continuous extensions of goals to attain (usually in a decade), transmitting the impression that HE is in permanent reform, which is not completely right, due to the bottom-heavy character of HEIs and other specificities of these institutions.

A second factor signalling change in the European HE landscape is the process of developing institutions at the European level, with some degree of coordination and coherence among them. Examples of these institutions are the quality agencies that have been created alongside the

[2] In addition to the six founding members (Belgium, France, Italy, East Germany, Luxembourg and the Netherlands), joined in 1973 to the so-called European Economic Community, Denmark, Ireland and the UK. Greece joined in 1981, then Portugal and Spain in 1986 and in 1995 Finland, Austria and Sweden. Only in May 2004, with the biggest accession ever, more 10 countries joined the EU.

consolidation of the EHEA, as well as other administrative networks. These institutions, as Olsen (2002) explains, share some constitutive principles, structures and practices that not only institutionalise binding decision-making processes, but also have the power to install sanctions in case of non-compliance procedures. In Portugal, the Agency for Assessment and Accreditation of Higher Education (A3ES) aims at promoting and ensuring the quality of national HE. Its Finnish counterpart is the Finnish Higher Education Evaluation Council (FINHEEC).

Europeanisation is also explained by "the central penetration of national and sub-national systems of governance", e.g., the division of responsibilities and powers between different levels of governance (Olsen 2002: 932). This is today the most common use of the term Europeanisation, mostly due to the changes in HE governance dynamics, considering that all levels of governance need to find a balance between unity and diversity, central coordination and local autonomy (*ibid*). This distribution of power, which has significantly moved to a more supranational level, contributes to the convergence of European HE systems, in the sense that it *obliges* national systems to adopt European (political) norms and public administration structures and procedures – a situation which was also stimulated by the deregulation of national legal and by regulatory structures and the decentralisation of decision-making authorities (Martens and Wolf 2009). In fact, the literature on Europeanisation examines how the EU impacts national systems and how member-states shape European rules and institutions according to their own preferences and practices (Nicolaides 2010: 114). As the national implementation of the Bologna process required a revision of national legal frameworks, the HE systems of signatory countries have now become closer to European guidelines and to OECD recommendations. This is why Nicolaides (2010: 114) believes that convergence of national policies occurs; however, it does not lead to harmonisation.

Gornitzka et al. (2007) also argue that the European level of governance has become more important, however it is far from replacing other levels of governance (and this tended to happen mainly due to the considerable funding provided by the EC, especially with regards to student and staff mobility and research projects)[3]. The authors believe that the nation-state cannot be assumed to be static in face of European-level dynamics because it has repositioned itself, rather than abdicated of its governance role (2007: 191). Therefore, as argued by Olsen (2002), all multilevel systems of governance need to find a balance between unity and diversity, central co-ordination and local autonomy (2002: 924).

Intimately linked with these aspects, Olsen puts forward another conceptualisation of Europeanisation as exporting forms of political organisation and governance that are typical and

[3] Huisman and der Wende (2004: 352) state that in terms of policy instruments, the EC used strong financial incentives to gain leverage in the HE arena, with hardly any strings attached.

distinct for Europe beyond the European territory. The Bologna process, together with all the policy tools and frameworks attached to it, e.g. the OMC; the European Qualifications Framework (EQF); and more recently the European Credit System for Vocational Education and Training (ECVET); etc., are clear expressions of this positive European exporting to locations such as Latin America, Australia, Africa, Asia and US (van der Wende 2009). Olsen explains that in this case, Europeanisation means a more positive export/import balance as non-European countries import more from Europe than *vv.* and European solutions exert more influence in international settings (2002: 924).

The last possible use for the concept Europeanisation summarises the aspects touched above, and suggest the idea, at least theoretically, of a more stronger and unified Europe, once it positions the old continent as a project of political unification which involves institutions' adaptation; "Europeanization as a political project aiming at a unified and politically stronger Europe" (Olsen 2002: 924). Nevertheless, as Olsen (2002: 924) also highlights there is not necessarily a positive correlation between the types of Europeanisation mentioned here, and between each of them and a political stronger Europe. And, as a matter of fact, it is this absence of a stronger Europe that explains much of the rationale and motivations behind the birth of the Bologna process if one looks at Bologna as a strategic (national) response to a context of global change.

To understand institutional change and continuity within the European context (*how* Europeanisation takes place) requires an understanding of the structure and dynamics of each change process. In this sense, it is important to *remember* the various dynamics of the Bologna process, e.g., how it has evolved from being *just* an intergovernmental pledge aiming to enhance the attractiveness of the signatory countries' HE systems, to an instrument capable of changing long rooted governance and management procedures within HEIs. The researcher believes that none of these processes – globalisation, internationalisation and/or Europeanisation – isolated offer any exploratory power. Instead, these dynamics describe the same process from different angles and each of them can offer a fruitful way of making a comparative analysis when combined or studied in parallel with other phenomena. As Veiga and Amaral (2006) put it "… the reactions of HEIs to internationalisation, Europeanisation and globalisation could be understood as organisational performance and environmental responses in the sense that HEIs can influence their institutional behaviour" (2006: 288). This is why, in order to fully understand the research, one needs to remind the interrelation of the three levels of action, and to position global phenomena applied to specific national realities. In this way, and bearing in mind the contours and the major actors of the research topic, the conceptual and theoretical parts sustaining the exploratory analysis relate to governance

theory, namely changes in governance modes and levels of governance in order to understand governance and management changes at the institutional level.

The next section attempts to underpin the policy processes behind the Bologna process, its context, and the tools used to create and steer the EHEA. In other words, the researcher puts forward how the Bologna declaration, as a visible manifestation of the Europeanisation process influences the formulation and design of national HE policies and therefore impacts institutional practices. In this scenario one should not forget the functioning of the EU as a governance system, considering the *creeping competence* of the EC in educational matters and its increasing involvement in the process.

1.2 Convergence in Higher Education Policy

The concept of convergence is about measuring the extent of similarities between countries and/or social systems (Lane and Ersson 1996). In terms of policy convergence is thus the process of becoming more similar, of having increasing similarity of processes and practices, of objectives and instruments. Torben Heinze and Christoph Knill (2008) quote Kerr (1983: 3) and state that cross-national policy convergence can be defined as "the tendency of societies to grow more alike, to develop similarities in structures, processes and performances".

Heinze and Knill (2008) distinguished two different types of policy convergence to better understand the national impact of the Bologna process and the convergence effects caused by the underlying mechanisms of the process. These are the sigma (horizontal) and delta (vertical) convergence and can be used as conceptual tools for analysing other processes of change in HE policy. Also the study of Nagel, Martens and Windzio (2010) on the convergence models of education policies suggested by international organisations identifies those two forms of policy convergence and adds another one: beta-convergence. Briefly, sigma convergence comes closest to the conventional understanding of convergence as the decrease in variation of domestic policies over time. An example of sigma convergence is the increase of tuition fees in some European HE systems, although international organisations cannot be seen as the source of convergence (Heinze and Knill 2008; cf. Heichel et al. 2005).

In turn, and taking the Bologna process as an example, delta convergence refers to the adoption of European guidelines that have been elaborated alongside the Bologna framework, especially concerning degree structures, accreditation and quality assurance systems (Bergen-Communiqué 2005). Delta-convergence implies that countries are moving towards a common model, for example with respect to the internal organisation of HEIs and revision of their statutes (Heinze and Knill 2008; Nagel, et al. 2010).

A further concept of policy convergence introduced by Nagel, et al. (2010) is beta-convergence, which denotes a process of "catching-up" of countries as regards education performance. "Countries that are already close to a certain standard or international goal might show slower change rates than countries that are still far away from this goal" (2010: 9). Thus, implicitly or explicitly, and although the term convergence does not appear in the Bologna declaration, the process aims at the convergence of degree structures and quality assurance frameworks to promote the mobility of students and graduates as well as "greater compatibility and comparability of the systems of HE" (Bologna Declaration 1999).

It is nowadays a fact that the Bologna process is explicitly designed to introduce change in the HE systems of the participating countries, as declared by the four Ministers of Education in the Sorbonne declaration (1998), as well as in the following documents related with the process (e.g. at least in the Communiqués of Prague, Berlin, Bergen and London and in the EC documents). Also the reforms initiated in the scope of NPM aimed at changing public administration processes in general, and consequently HE practices. Those attempts for reforming HEIs' *status quo* are evidenced by the diverse legislation proposed and implemented in both Finnish and Portuguese HE systems, namely through the RJIES and New Universities Act. Therefore, the convergence theme is relevant from several perspectives, as highlighted by Lane and Ersson (1996: 1). There is first the socio-economic side, which allows us to assess the catch-up development level of both Portugal and Finland and whether their HE policies and reforms have been successful. Second, from a political perspective, one can explore how party systems are organised; what is the role of the government in HE in these both countries, as well as the relationship between HEIs and the state. Then, from a cultural perspective, one can analyse "the extent to which political attitudes and social belief-systems tend to become more similar between the countries in Europe" (1996: 1). To "measure" convergence it is important to define "what converges", i.e. "what is the substance or topic under investigation" (Unger and Waarden 1995: 4). With respect to the Bologna process, Witte (2006: 15) points that the common endpoint of the process is not defined. As such, convergence cannot be measured against a "common standard", but only with respect to similarities between different systems. At this stage, the researcher is concerned with explaining what drives convergence (and divergence) of HE policies and change movements in both Portugal and Finland.

Another account explaining convergence towards a common model or processes of 'catching-up' of countries regarding educational performance lays in the combination of path dependency and historical institutionalism with sociological institutionalism (cf. chapter III). Whereas legislation passed by governments compels 'laggard' national HE systems to 'catch-up with more developed ones (Nagel et al. 2010), both at the national and institutional level is possible to observe increasing

similarities in terms of policies, structures and modes of functioning (e.g. the Bologna process, changes in governance and management structures, etc.). These diffusion processes happen due to, among other reasons, normative pressures passed to and by professionals, definition of common goals and adoption of similar practices and routines.

As it will be analysed later on in this section, the OMC gave the EC a significant extension of its capacity for policy making, as it offers "a political space of ideational convergence", at least in terms of setting the agenda and the development of quantitative indicators that compare performance (Gornitzka 2007: 177). It is argued that policy coordination (and integration) without the use of *hard law* is possible through the expected coordinating capacity of the convergence and travelling of ideas (Radaelli 2004; Ramirez 2012). In this way, it is important to examine shifts in governance modes in order to understand why some educational trends and reforms diffuse and others not, i.e. how do they travel, assuming that they do. As Gornitzka et al. (2007: 201) state "Ideational shifts are important to examine also because of their implications for the national sensitivity of policy areas and thus the propensity for transfer of legal competencies to the supranational level and the implications for types of governance across levels".

1.3 Higher Education Policy in Europe

One of the manifestations of the changing role of the state towards HE, often labelled as "the hollowing out of the state", concerns the delegation of its powers to different levels: upwards, downwards and outwards (Rhodes 1994; 1996; Ferlie et al. 2000; Pierre and Peters 2000; Bovens, 't Hart and Peters 2001; Hooghe and Marks 2001; Pollitt and Bouckaert 2011).

With respect to upwards shifts of the changing role of the state in HE, it is argued that increasingly more, policy agendas are determined at the supranational level and, looking from a top-down perspective, this level now represents the first "regulatory level" (if we can use this expression) of the Bologna process. Furthermore, when analysing shifts in European HE in general, the "introduction" of a supranational level, e.g. the increasing relevance that the EC, which traditionally had no competence in education issues is assuming in the process, represents one major change in HE policy formulation, especially whether one takes into consideration one of the two leading principles in EU decision-making processes, the principle of subsidiary and the principle of proportionality[4].

[4] The principle of proportionality regulates the exercise of powers by the EU by setting actions taken by the institutions of the Union within specified bounds. Under this rule, the involvement of the institutions must be limited to what is necessary to achieve the objectives of the Treaties (Europa website 2012).

HE has historically been a national affair (Scott 1998). As such, there is much diversity within HE systems that signed the Bologna agreement. In terms of European integration, this would therefore pose a problem when converging so many different HE systems, especially because, according to the principle of subsidiarity, education is still the responsibility of individual governments. The EC only became gradually involved in education issues via links to more general economic issues for which it had direct competence, namely with vocational training, in order to enhance the free movement of labour in the common market (Martens and Wolf 2009: 86). The principle of subsidiarity was established in 1992, in the EU law by the Treaty of Maastricht (which entered into force in 1993, the year when the EU was formally created) as a response to the fear of member-states of a (further) centralisation of political power at the European level (Corbett 2003; Maassen and Musselin 2009: 6). This principle ensures that in areas that are not within its exclusive powers and/or competence, e.g. (higher) education, the EU shall only take action where objectives can be best attained by action at Community rather than at national level (article 3b of the Maastricht Treaty 1992: 3-4).

The principle of subsidiarity is, in this way, closely bound up with the principle of proportionality, which requires that any action by the Union should not go beyond what is necessary to achieve the objectives of the Treaties (Europa website 2012). As such, subsidiarity did not leave much leeway for the EC to *harmonise* national systems of education. Moreover, the fear that member-states felt after the treaty was signed is visible in the tension between the Commission and the member states – a situation that is illustrated by the exclusion of the EC from the first phase of the Sorbonne/Bologna process (Maassen and Musselin 2009: 6). According to Eberlein and Kewler (2004: 122) this fear and reluctance of the member-states to grant regulatory powers to the EU is also explained by the discrepancy between what the EU is expected to manage and the increasing level of legitimacy enjoyed by the EU institutions. In addition, it is also argued that the inclusion of non-EU members in the process was a strategic decision to protect the signatory countries against too much Commission leverage (Martens and Wolf 2009: 89).

The principle of subsidiarity somewhat preserves this exclusivity of nation-states in educational domains, but at the same time, and as several authors argue (de Witte 1993; Pollack 2000; Corbett 2003; Gornitzka 2007; Maassen and Musselin 2009; Veiga and Amaral 2009; Amaral and Neave 2009a), since subsidiarity is a vague word without a precise meaning, it did not assure that HE policy would be exclusively a responsibility of nation-states. Furthermore, as observed later on, the methodology used by the EC in the implementation of both the Bologna process and the Lisbon strategy (*soft law*) fully respects the principle of subsidiarity (Rodrigues 2002; Gornitzka et al. 2007). Thus, one can say that following the creation of the ERASMUS programme in 1987, this was the

continuation of the EU's (successful) *meddling* (intromission) in issues related with HE and research. Consequently, the main functions of the university have come higher in the European agenda, especially after the 2000 Lisbon summit, and, as HE stakeholders have not been ignorant of these developments, a considerable amount of the Community budget is nowadays devoted to these areas (Gornitzka 2007: 189; Wit 2007). Attention and resources have shifted from the national to the European level (Kohler-Koch 1999: 102), as the numerous Commissions' communiqués and reports evidence (COM 2005; 2006; 2007; 2011). Simultaneously, for the HE sector, this marked the emphasis on multi-level and multi-actor governance arrangements, creating networks of interdependent relationships, which influence agenda setting, decision-making and policy implementation (Enders 2004a). Indeed, a crucial aspect of Europeanisation has been the dissemination of a network mode of governance based on complex interactions between levels, sectors and actors in a multi-level multi-actor policy (Kohler-Koch 1999; Olsen 2002; Neave and Maassen 2007). Thus, institutionalisation of the European level and international actors in national and institutional governance arrangements that constitute one of the major changes of HEIs governance and management and which therefore challenges the analysis of individual levels of action.

The Bologna process is the prime example of this multi-level and multi-actor governance, considering that there is an interaction of multiple (political) actors guiding policy design and implementation at the European, national and institutional levels. In addition, one should not forget that some EU structures bring an intergovernmental dynamic, through the Council of Ministers and the Council of Europe, adding complexity to the interconnection among European (and national) intermediary institutions, national governments and HEIs. Such complexity is also increased by several interest groups operating on the European level, as the EUA and the European Students' Union which, in the words of Elken and Vukasovic (2014: 132) "add a transnational flavour" to the dynamics of European HE governance and HE policy formulation and implementation processes.

With respect to this network mode of governance, Gortnitzka et al. (2007) argue that the Directorates General of Education and Research have become a platform for networking administrations across Europe, which connect the supranational level to the other levels of governance: "These are networks for European policy making, for affecting national policies, for information exchange and for the implementation of European policies and programs at the sub-national level" (2007: 196). The EU has been so actively involved in HE policy making that, over the past decade, there has been a shift from analysing the process of European integration to analysing the EU as a system of governance (Marks, Hooghe and Blank 1996; Eberlein and Kerwer 2004; Kohler-Koch 2005). Thus, in the same way that each nation-state has its own coordination

means to steer its HE sector, so does the EU have also its structured means of "steering cooperation" among member states. Within the political framework of the EU, the EC assumes especial relevance (for the purpose of this study), once it is seen as the engine of European integration (Gornitzka 2008).

The EU uses a mixed, or what is called a hybrid mode of governance to deal with different sectors of policy areas. Thus, and as aforementioned, one can find intergovernmental cooperation which works together with supranational institutions, like the EU Council and the EU Parliament. These institutions, as Gornitzka (2008) refers, position the nation-state as its core-centre of activity, but they also cope with the EU as a whole entity. Indeed, as argued by the author, what makes the EU such an important and especial organisation is "(…) its strong legal focus that one will not find in any international cooperation organisation in the world". In turn, Kohler-Koch (2005) refers that:

> "(…) when compared to other systems of regional co-operation, the EU stands out because it is a Community based on the rule of law. It has created its own legal system that is operating independently but penetrates into the legal order of Member States and takes precedence based on the doctrine of direct effect and supremacy" (2005: 97-98).

Nevertheless, for a long time, one of the major *headaches* of the EU was its limited decision-making capacity in a restricted number of policy fields, mainly due to member states' wide-ranging veto powers, collective action problems for private interest groups and the regulatory competition triggered by the single market programme (Eberlein and Kerwer 2004: 122). As such, even prior to the Maastricht Treaty there were several attempts of the EC to gain ground in educational issues (Blitz 2003; Corbett 2005; West 2012), of which *the Memorandum on HE in the European Community,* published by the Commission in 1991, is a good example of this "creeping competence", letting already guess what would happen throughout the Bologna process developments. Pollack (2000) refers to the EU "creeping competence" as a dramatic expansion of its activities, "(…) so that by the early 1990s, the policies of the Union had spread from the core economic activities of the common market to embrace almost every conceivable area of political, economic and social life" (2000: 520).

Although the activity of the EC in education can be traced back before 1991[5], this *Memorandum* already refers to the necessary policies to change HE systems to meet the needs of the 21st century (COM 1991). Among others, critical areas discussed in this report (written more than two decades

[5] Earlier action programmes in education began around 1976. Huisman and der Wende (2004: 349) refer that in 1976, the education ministers of the then EC set up an information network in order to better understand national policies and system structures. From the work of this network, the Action Programme in the Field of Education was launched (also in 1976) and the Joint Study Programme – the predecessor of Erasmus – was also created. Cooperation initiatives and interest between HEIs and the EC increased significantly due to the various mobility and partnerships programmes launched in 1987, namely Erasmus, Delta and Lingua. Due to the principle of subsidiarity and the sovereignty of member states, the national structures were not in danger (Huisman and der Wende 2004).

ago but which has paved the way for the Sorbonne meeting, the Bologna process and the Copenhagen process) include the need for strategic management at institutional level, the need to increase partnerships with economic life, the European dimension of HE as well as issues of HEIs quality and finance (COM 1991). In this sense, and considering that for a long time HE policy was not part of the European agenda and European cooperation was restricted to mobility programmes (Heinze and Knill 2008), the developments concerning the monitoring and implementation of the Bologna process represent a great achievement for the Commission and its efforts towards growing Europeanisation (Veiga and Amaral 2006). It should be mentioned that such extension of powers was also achieved with the help of the European Court of Justice, even if these attempts were in some occasions countered by initiatives of the member states (Alberto Amaral & Neave, 2009). On this, also Schäfer (2004) acknowledges that "the Community Method delegates considerable power to the Commission and the European Court of Justice and offers ample opportunity to act independently of their principals"[6] (2004: 3). Additionally, one should remember that the growth of mobility evidenced the diversity of HE systems. Consequently, a number of domestic issues related to the quality of provision, the transfer of credits, the language of instruction and even the structural features of national systems became central to the internationalisation policy agenda as mobility (and the bureaucracy attached to it) increased (Huisman and der Wende 2004: 351). Furthermore, bearing in mind the interconnectedness of levels and actors, and after some analysis of the European recommendations and papers prepared by the EC, it is visible that the main aims of the Lisbon strategy – strengthening economic competitiveness and stimulating social cohesion – have become central to the Bologna process as well (Neave and Maassen 2007: 143).

Since the moment the EC started to be involved with the development of the Bologna process, the Lisbon agenda (although through a different emphasis) was also committed to enhance the EHEA objectives; a position which was clearly expressed in the Commission's paper for the 2003 Berlin meeting of "Bologna Ministers of Education" (Gornitzka et al. 2007: 163). Nevertheless, although traditionally teaching and research are subject to different criteria and legal regimes, the influence of the EU in national HE and research systems has come in the shape of legal integration. As such, the authors refer that it is plausible to assume that the implementation of the ERA is thus less dependent on changes in the national legal framework than the implementation of the EHEA. However, it is important to highlight that despite this growing importance of the EU in domestic policy agendas, and despite the fact that the EC sets constraints and gives directions, the reforms of the welfare states are still a national affair.

> "(…) The system is still dominated by home-bound actors extending their realm of activities. They are the prime movers in the multi-level system of the EU and are equally constrained by

[6] Schäfer (2004) takes the principal-agent theory as model of analysis.

> national and supra-national institutions. Even when social groups engage in European wide co-ordinated action, they are not subject to trans-national structuration (…). European governance is changing structures within the Member States but it does not re-structure the nation-bound European societies" (Kohler-Koch 1999: 96).

Building the EHEA and the ERA encompassed thus the European ambition of transforming Europe in the most competitive and dynamic knowledge-based economy in the world by the year 2010, where each EU member country would contribute 3% of GDP for R&D. In this way a stronger emphasis on research and in the role of universities in the process of knowledge creation and knowledge dissemination gained a new breath (and hope) with the Lisbon Strategy.

Underlying the aims of the Lisbon Strategy was the idea and efforts of growing Europeanisation and integration of national policies. As Veiga and Amaral (2006) explain, "(…) This proposal allows the EU to promote the European dimension of education and training policies (2006: 283). In this renewed Europeanisation context, and as the Lisbon strategy so repeatedly has been emphasising, knowledge assumes paramount importance in order to attain economic growth and global competitiveness. Knowledge is the legitimate concern of the European common efforts, and therefore is the basis of the overall aims of the Lisbon Strategy: economic and the social aspects. These both dimensions aim to translate the political definition of the *knowledge-based economy*, so important for the construction of the new Europe, and, as referred by the authors "... to some extent, institutional policies of Europeanisation have been strongly driven by the intrinsic internationalisation character of scientific knowledge, which might have contributed to balance the influence of the academic rationale over the economic rationale" (2006: 290). The emphasis on the acquisition of competences and the strong emphasis on employability as the engines of the knowledge-based economy have an impact on the way HEIs are governed and steered.

The following section explores certain specificities of the Bologna process and the Lisbon strategy, namely the policy process behind the idea of the coordination of these two *stories*.

1.4 The Bologna Process: origins and developments

This section aims to contextualise the Bologna process within the Europeanisation dynamics of HE, as well as to understand the directions and means it has been using in its development, and to understand such an emphasis in reforming European HE systems, resembling them to the undergraduate and graduate Anglo-American model under the rationale of enhanced competition, transparency and flexibility – NPM rhetoric and practice per excellence. This contextualisation, both political and historical, is crucial to understand reform processes (Neave 2003; Gornitzka et al. 2007; Välimaa 2005).

It is fascinating to observe how the European HE environment has evolved since the *Magna Charta Universitatum* was signed on the 18th September of 1988 to the latest Conference and Bologna policy forum held in Yerevan, Armenia. Curiously, the 2018 Conference will take place in Paris, where *everything* started: at the Sorbonne University.

Politically, the Bologna process is one of the most far-reaching significant reforms that has took place in the 900 odd years of the history of the University in Europe (Neave and Maassen 2007: 138). In this sense, it also represents one of the best expressions of the European integration process, as well as the growing geographical and political expansion of the EU (Olsen 2002), as we have seen above. This is why the researcher believes that any study aiming at understanding institutional change in HE would naturally imply a reference to the Bologna framework.

Almost thirty years passed since 388 Rectors of worldwide universities signed the Magna Charta Universitatum to mark the 900 years of the founding of the University of Bologna. This document formally stated the importance of universities in a changing and increasingly international society (Magna Charta Universitatum 1998: 1) and introduced some principles for the process of *far-reaching co-operation* among all European nations (*ibid*). It mainly refers to the notions of freedom and intellectual independence and inseparability of research and teaching in the day-to-day activities of universities, as "… fundamental principles which must, now and always, support the vocation of universities" (*ibid*). The document has become the reference for the fundamental values and principles of the university and since it was signed in 1988 the signatory countries had increased tremendously. To date, it has been signed by 721 universities from 79 countries in Europe, Asia, Africa, Australia and America (Magna Charta Observatory website).

Following this document, the Sorbonne declaration (1998) introduced the ideas of what latter would be the Bologna declaration, and therefore the ideals for the construction of "... an open European area for higher learning, in which we must strengthen and build upon the intellectual, cultural, social and technical dimensions of our continent" (Sorbonne Declaration 1998). In this sense, the Sorbonne Declaration (together with the *Magna Charta Universitatum*) can be seen as the (*informal*) *beginning* of the Bologna process. Indeed, as it is stated in this document, it is a declaration on the "... harmonisation of the architecture of the European HE system" (*ibid*), and it was signed by the four ministers in charge of HE in France, Germany, Italy and the United Kingdom[7]. The Sorbonne declaration is concluded with the four ministers calling on other EU members to join them in achieving those objectives. The novelty, as Veiga (2011) remembers, was that it was an initiative explicitly taken without the involvement of European institutions and avoiding the

[7] In 1998 these ministers were: Claude Allegre (France); Luigi Berlinguer (Italy); Tessa Blackstone (United Kingdom) and Jürgen Rüttgers (Germany).

intervention of the European Court of Justice, by inviting other non-EU countries to join the initiative (2011: 51). Nevertheless, despite the invitation was enthusiastically received by some European counterparts, other countries saw it as raising the danger of a Europe of two speeds (Veiga 2011: 51), benefiting countries that are close to the "technological frontier" while discriminating the member states that are lagging behind in terms of innovation (Amaral 2004).

Before its signature on the 19th June 1999, the Bologna declaration was previously prepared at a meeting of the EU Directors-Generals of Higher Education (Witte 2006: 131). The preparatory documents (*Project Report – Trends in Learning Structures in Higher Education*) provided overall information about the structure of the national systems of HE. It was intended to be a tool for the 29 ministers to compare differences concerning the organisation of each HE system.

It is also interesting to mention that one day before the signature of the Bologna declaration, the President of the Confederation of European Union's Rectors' Conferences, Hans-Uwe Erichsen (1999), draw attention for the importance that more ministers, "(…) not only from EU member states but also from non member states in central and Eastern Europe, as well as from Norway and Switzerland" (1999: 1) would sign the declaration. Erichsen highlighted that the "… shaping and structuring of the future European HE space is also a, if not the most important, responsibility of the universities and other institutions of HE" (1999: 2), in order that students and academics could freely circulate and disseminate knowledge throughout the continent (*ibid*).

What the signatory ministers did not foresee was that the EU would play a much larger role in HE policy that they envisioned. As Martens and Wolf (2009: 92) explain, at the Sorbonne declaration, Ministers insisted that the Commission should not have any stronger role and it should be only an observer member of the process. The process, in turn, should not be more than an intergovernmental agreement with a clear division of responsibilities between the EU and the member-states. As such, despite the invitation in Sorbonne being eagerly accepted by the 29 members of the EU, the conference in Bologna made clear the difficulty in achieving consensus among the signatory countries, especially with respect to the details of the implementation of the two main studies cycles. This explains why the text of the declaration, as a statement of exclusively political nature, had to be carefully analysed (Veiga 2011: 51-52). Based on her research, Amélia Veiga refers that according to Marçal Grilo and Pedro Lourtie (two Portuguese political forces behind the Bologna process, both nationally and internationally), the text was meticulously revised and changed in order to prevent fears about a possible homogenisation of European HE systems. This was so because words such as "harmonisation" tended to be interpreted as curricular "standardisation" within the signatory countries[8] (Witte 2006: 127). As such, in the subsequent

[8] Other interpretations of the document suggest that the fact that only four of the biggest European countries

documents related with the Bologna process, the term *harmonisation* was replaced by *convergence*[9], making possible for an enlarged group of HE ministers to sign the Bologna declaration. Nevertheless, the EU Rectors' Conferences and the Association of European Universities (CRE 2000) were very clear in this respect. They stated that "The Bologna process aims at creating convergence and thus it is not a path towards the 'standardisation' or 'uniformisation' of European HE: the fundamental principles of autonomy and diversity are respected" (2000: 3). Moreover, in the previous document written by Erichsen (1999), it is mentioned that the way to cope with the increasing demand for continuing education from enterprises and graduates, and from contributions to HEIs to lifelong learning, is diversification by promoting variety and flexibility. The call also refers that both the Bologna and the Sorbonne Declarations stimulate diversification in order to improve international recognition and the attractiveness of HE systems.

From a more ideological perspective it can be said that the Bologna process was not that new, but rather a continuation of educational policy aims that have been at the heart of the EC wishes for some time (Corbett 2001, 2005; Neave 2009).

On the other hand, the notion of competition – as a label for the cultural appeal each country has when compared to other nations, has also been present on national agendas for a long time and on their negotiations with the "superordinate level" (Neave 2009). What seems to be consensual is that the process represents major cultural shifts that will take more time to be fully integrated into societal reality then the initial estimated year of 2010, e.g., the idea that the role of HE is fundamental for social innovation (Trends Report V 2005). As Neave (2009: 49) refers, "(…) Bologna is effectively part of an ongoing venture and thus an example of that most interesting of all conditions – continuity in the midst of change". Thus, after the "blessing of the appropriate authorities" (*ibid*) and despite all the turmoil that the process created, changes were largely carried forward by university leadership, academics and administrative staff (technostructure). As such, in this sense, "… Bologna marked a watershed in the relations between national and superordinate communities" (*ibid*: 157).

The *Magna Charta Universitatum* also mentioned the importance of universities in a changing society. In this sense, and in order to *continue* change, the construction of the common area of HE in which students would be able to choose from a wide range of European quality courses and benefit from smooth recognition procedures was supposed[10] to be achieved trough several measures

signed the Sorbonne declaration created a certain kind of "marginalisation" idea concerning the other countries that were not previously consulted about these ideas (Witte 2006; Lourtie 2008).

[9] It is, however, interesting to note that the majority of the interviewees both in Portugal and in Finland still used the word "harmonisation" to describe/refer to the convergence of the degrees' system.

[10] The word "supposed" was deliberately written once it is now acknowledged that the year 2010 was an unrealistic target and there is still a long way to go in order to have a truly EHEA, without

until 2010: emphasis on increased mobility; the existence of a common two cycle degree structure ("graduate" and "undergraduate"), which should be internationally recognisable and easily comparable; incentives and supports for those who wish to access HE at any time in their lives (e.g. lifelong learning initiatives, which have been included in both OECD and the EU policy documents since 1995) and the use of an European Credit Transfer System (ECTS – which was launched by a pilot project of the EC and thus was already in use with ERASMUS and SOCRATES programmes) for the easy recognition of periods of study.

As Neave (2003) summarises, by simplifying the duration of degrees and introducing an "European template", the member-states aimed at boosting "… cross-national student traffic, enhance the employability of students because the comparability of qualifications across different systems would now no longer be a sore puzzle to prospective employers, and offer some degree of "customer protection" through the transparency of both degree structures and credit accumulation" (2003: 156) However, it should also be mentioned that, with respect to the two-cycles' degree structure, *collateral lectures* of the Sorbonne declaration put forward the French structure as the model of organisation. Nevertheless, the ministers did not mention any numbers concerning the length of the degrees, only the expression *cycles*, as the French HE system is organised in three cycles.

Despite the Bologna declaration clearly stating that the objectives entailed in the declaration should be pursued "... within the framework of national competences and taking full respect of the diversity of cultures, languages, national education systems and of university autonomy" (Bologna Declaration 1999), in practice, this demands a change in the way HEIs relate with their national governments. The ministries of education tried to adapt their national structures to the Bologna reality, which means new forms "... of intergovernmental co-operation, together with those of nongovernmental European organisations with competence on HE" (*ibid*). As such, it is not surprising that 17 years after the Bologna declaration has been signed, there are still *fears* concerning the loss of diversity and identity among HE systems of the signatory countries. Following Martens and Wolf (2009), one of the reasons for these *fears* is the increasing interference of international organisations in the national definition and implementations of HE policies. As Cachapuz (2010: 6) argues, the desirable convergence of HE systems should not be confused with the uniformity of those systems aiming at satisfying the exchange of HE "services" advocated by the WTO.

Additionally, one should also refer that both the Bologna Declaration and the EU Rectors Conferences documents started to highly emphasise employability, namely the need of graduates to get *suitable* skills and training for the job market, rather than the transmission and acquisition of

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obstacles of any type (e.g. transparency, recognition of prior studies and/or academic qualifications), both for students and staff.

general knowledge. Such emphasis goes much in line with what happened after the Lisbon 2000 summit, namely the fact that the EC conceived the University merely in terms of vocational training (Neave and Maassen 2007: 140). The authors argue that although the declaration put aside some "economic vocabulary", the notion of competition is present in the text by means of the expression of "cultural viability", "… which from a perspective external to Europe was presented in terms of the cultural attractiveness of "European" HE on a world market" (*ibidem*: 140). In fact, this goes much in line with what Amaral and Neave (2009a) explained on the use of "weasel words" to describe the supranational role of the European Court of Justice on European HE politics. "Weasel words" seek to deprive a statement of its force or to turn a direct commitment aside, allowing for diverse interpretations of the treaties, and for enhancing the supranational role of the European Court of Justice, and consequently to increase the EC competencies, a development that member states viewed as increasingly undermining their sovereignty (Amaral and Neave 2009a: 272).

Following this, Martens and Wolf (2009: 91) refer that the Bologna declaration showed its first economic considerations when referred that a common European HE system would be "… helpful 'in order to promote European citizens' employability' and 'is relevant to the European labour market'". Also in 2004, Alberto Amaral has warned for the "hidden agenda of the Bologna process: the economy". The background for the forthcoming changes in European universities and polytechnics is the "economic competitiveness in a global system". Emphasis is placed on the concept of "employability", which confers the individual full responsibility to get a job. Another consequence of such emphasis in employability is the *professional drift* in universities, as they try to respond to societal pressures to become more 'relevant' and consequently to increasing demands for employability of their graduates (Amaral 2003a).

After Bologna, a series of Ministerial follow-up meetings took place in several European cities (Prague in 2001; Berlin in 2003; Bergen in 2005; London in 2007; Leuven in 2009, Budapest and Vienna in 2010; Bucharest in 2012 and Yerevan in 2015), adding more objectives to the initial declaration, as well as including strategies and instruments for their practical implementation and evaluation of the implementation of the steps taken so far (Martens and Wolf 2009: 87). In March 2000, before the first Ministerial meeting in Prague, the EU promoted one of the most significant events in this journey, which was held in Portugal and which would become extremely linked with the Bologna process: the Lisbon Process, which would be known as the Lisbon strategy, and where the heads of state of the EU established the well-known aim of transforming Europe, within a decade, in the most competitive and dynamic knowledge-based economy in the world.

In 2001, when the EC was already a full member of the Bologna process, the Prague Communiqué reaffirmed this emphasis on competition and employability by expressing the need of

Lifelong Learning (LLL) programmes in order to meet the challenges of competitiveness, and that study programmes should be taught combining academic quality with relevance to lasting employability (Prague Communiqué 2001; Martens and Wolf 2009: 92). The Communiqué also recognised that "programmes leading to a degree may, and indeed should, have different orientations and various profiles in order to accommodate a diversity of individual, academic and labour market needs (...)" (Prague Communiqué 2001: 2). One year later, in 2002, the European Council of Barcelona expressed the need to improve quality and effectiveness of education and training systems through the endorsement of a detailed work programme on the follow-up of the objectives of the education and training systems which aimed at making European education and training a world quality reference by 2010 (Veiga and Amaral 2008: 250; Hartmann 2008).

The choice of Prague to hold the first follow-up conference is stated as a symbol of the European Ministers' will to involve the whole of Europe in the process in the light of the enlargement of the EU. As such, the access criteria were broadened to include those countries participating in EU programmes and therefore, the number of signatory countries increased from 29 to 33 with the entrance of Croatia, Cyprus, Liechtenstein and Turkey. Russia would join the process in the following Bologna Ministerial Conference in 2003 (Berlin), which made the proponents of a more independent EU participation in the process satisfied. However, these countries were not willing to adopt the access criteria of the Lisbon Recognition Convention, the major legal framework and tool of the Bologna process to create the EHEA (Hartmann 2008)[11], which shows a clear opposition to a greater interference from the Commission and therefore to harmonisation procedures.

Martens and Wolf (2009) showed also that the British part was not satisfied with the Commission's presence, reminding other participants that it was agreed in Bologna to accomplish the process without the EC interference. However, despite the discontentment of some of the signatory countries, and as referred by Martens and Wolf (2009), the role of the Commission in the process has constantly increased. The European education ministers explicitly linked the Bologna process to the Lisbon Strategy (and to the 2002 Barcelona European Council) during the Berlin follow-up conference in 2003 (Berlin Communiqué 2003: 2), and in 2005, the Bergen Communiqué underlined the complementarity between the overarching framework of the EHEA and the framework for LLL qualifications (which encompass general and vocational education, and training)

[11] The Lisbon Recognition Convention is an intergovernmental convention elaborated by the Council of Europe together with UNESCO. As the name itself suggests, it was signed in Lisbon in 1997 but only entered into force in 1999. The Convention stipulates that degrees and periods of study must be recognised unless substantial differences can be proved by the institution that is charged with recognition. The Lisbon Convention is an important tool in the EHEA creation by making academic degrees and quality assurance standards more comparable and compatible throughout Europe (Lisbon convention website).

as it was being developed within the EU and among participating countries. In the Bergen Communiqué it was also asked the EC "fully to consult all parties to the Bologna Process as work progresses" (Bergen Communiqué 2005: 2).

After a decade of reforms, at the Leuven summit in April 2009, HE ministers reaffirmed their commitment with the process and expressed the need to consolidate the reforms in the period towards 2020. In this way, with the Vienna Declaration in 2010, the EHEA was officially launched and it was emphasised the role of the EHEA in a broader global perspective (EUA website 2011).

The governance dynamics of the Bologna declaration are thus quite complex and the process is ruled by way of a complex governance structure, which assures its operation through what is also known as *soft governance* (Heinze and Knill 2008; Veiga, Amaral and Mendes 2008; Croché 2009). As Heinze and Knill (2008) explain, this governance structure is shared by the representatives of the Bologna signatory countries and the EU, and is advised by Europe-wide organisations, such as the EUA – one of the main driving forces of the process; business entities (e.g. Union of Industrial and Employers' Confederations of Europe and BUSINESSEUROPE), the Council of Europe, UNESCO/CEPES, and topic-orientated network organisations, e.g. ENQA, the European Association of Institutions in HE (EURASHE), the European Students' Union (ESU) and Education International (Heinze and Knill 2008: 497; EUA 2011 website). From these organisations, the EUA is perhaps one of the most important consultative members in the process and the declarations launched by this consultative body on the eve of the ministerial conferences are considered essential for the realisation of the Ministerial Communiqués that define how Europe proceeds with the Bologna reforms (EUA website 2011). Then, in addition to the biannual ministerial meetings in which coordination and monitoring of the national implementation process is carried out and where new objectives have been added, the process finds consistency by means of the follow-up structure at the European level, i.e., through the Bologna Follow-Up Group (BFUG). The group consists of a smaller group of representatives of the signatory countries, the EC and the participating stakeholder organisations. The main responsibility of the group is the overall steering of the process and the preparation of the Ministerial Meetings (e.g. draft the Communiqués; adoption of working programmes; informing and reporting to other HE ministers and to develop criteria for stocktaking (Heinze and Knill 2008: 498). It should also be remembered that all this has happened without any central driving force or monitoring system or even any legally binding steering mechanisms (Trends Report V 2007). Nevertheless, although the process started outside the institutional frame of the EC, it has become strongly associated with the EU and today the Commission is the main driving force behind the establishment of the EHEA and the ERA, it coordinates all the actors involved in the process and it represents one of the main funding sources

for keeping the process alive (Martens and Wolf 2009), as it finances the follow-up of the process. For Witte (2006), the role of the EU in the Bologna process was further strengthened by the establishment in March 2000 of the ENQA, funded initially by the EC through the SOCRATES programme (2006: 134).

It is not easy to give a clear and straightforward picture of the Bologna process developments, mainly due to the complexity of actors, levels, objectives and tools it uses. What was explained previously is just a simple overview of its "historical" evolution and main actors behind the process, while simultaneously trying to look more deeply at governance and management issues. A note should be left to refer that many of the people who work at these (international) working groups also belong to the implementation working groups of the Bologna process of their own countries, and some of them even work at the implementation process in the HEIs where they work).

1.4.1 The Bologna Process and the Lisbon Educational Strategy

Any study on the Bologna process developments could not let aside the Lisbon 2000 process, namely the way the EU has been *using* it to gain increasing competence and power within the HE and research policy fields. The way the Lisbon agenda has became gradually intertwined with the Bologna process, and consequently with institutions' "academic life" is explained by the path that European HEIs have taken on research policy cooperation (Gornitzka et al. 2007: 192) after the Lisbon European Council held in 2000 has put into practice the European strategy for the knowledge economy. Universities have become essential agents to achieve the agenda aims. Therefore, the Lisbon summit has marked the political dynamics of the Bologna process development, which has, until then, devoted more attention to academic issues and gained later a new breath with the University's central role in connecting the triangle of education, research and innovation (Maassen and Olsen 2006: xi). Indeed, those changes in HE, such as the massification of the sector, internationalisation, increased global competition and the emphasis on knowledge economies, led first to the drafting of the Bologna process and then to the Lisbon Strategy, including the Modernisation Agenda for Universities (a document which later would be known as the *Education and Training 2010* Programme) (COM 2005; 2006; 2009; Gornitzka 2007; EUA 2010: 4). In this sense, both the Bologna process and the Lisbon Strategy can be seen as the main frameworks guiding the European response to globalisation in HE (Marginson and Wende 2007: 46). The Lisbon's message to this sector is to increase the investment in research and to improve the quality and effectiveness of education and training systems (Veiga and Amaral 2008: 250).

This has consequences for policy design at all levels of action where the process operates, especially at a time when the number of participatory countries increases, providing the process with a high degree of complexity, "... which does not fit into the idea of clear, rational and linear policy

implementation of the EU" (Veiga and Amaral 2006: 286). Therefore, as referred by the authors, to study the Bologna process might be quite problematic if one aims at analysing any of these phenomena in isolation. With this in mind, it has been argued here that HE policy design and implementation in Europe has become increasingly intertwined in terms of levels and actors involved, with some of them having more preponderance than others. Additionally, it should be mentioned that

> "Although they emerged in very different ways (bottom-up versus top-down) and could be characterised as intergovernmental (Bologna) versus supranational (Lisbon), they seemed to converge slowly into one over-arching approach" (Marginson and Wende 2007: 46).

But the Lisbon Strategy works differently from the Bologna process: it was designed by the EC at supra-national level and though its implementation considers multi-actors' interests, it uses a more top-down perspective. However, since the formal competences of the EC in the area of education policy have not been enlarged, the Bologna process cannot be completely characterised as a top-down initiative, but rather as bottom-up, due to the limited competences of the Commission in the field of HE policy (Amaral and Neave 2009a). Moreover, the instruments it uses are not EU directives, but take the form of recommendations, communications, consultations, or other working documents (Marginson and Wende 2007: 49). In fact, the EU's discourse with respect to HE has been consolidated through a similar way: in a series of communiqués and related documents which deal with a variety of inter-related areas, which range from LLL, mobility, cooperation with third countries, brainpower mobilisation, knowledge society, internationalisation, modernisation and quality assurance, innovation and creativity, HE governance and university-business cooperation, among others (Mayo 2007: 87-88). It can thus be said that in the same way that different governments used the OECD reports and the Bologna process as a means of legitimising their decisions, so the EU does, by using the Lisbon strategy for political legitimacy and the funds from the European Framework programmes for Research and Technological Development as a convincing lever (Amaral 2008: 85).

This vision helps us to understand how the main aims of the Lisbon strategy have become central to the Bologna process as well (Neave and Maassen 2007: 143) and vice-versa: the Lisbon agenda was explicitly linked to the accomplishments towards the EHEA, namely concerning the structural organisation of HE systems and the establishment of quality assurance mechanisms. As Gornitzka (2007: 166) referred, "The Lisbon process in education both feeds and feeds on the Bologna process". The temporal proximity in which both events occurred strongly explains their interconnectedness, considering that just prior to the Lisbon 2000 summit the same ministers had been signing the agreement to establish a EHEA until 2010, which was an unprecedented experiment in European integration outside the EU (Å. Gornitzka, 2007). In addition to the Lisbon

European Summit, from the strategic point of view of the EU, the Bologna process was also framed within (and by) the Barcelona Summit in 2002, considering that both the European Councils in Lisbon (March 2000) and in Barcelona (March 2002) agreed to set a strategic goal for the EU to become the most competitive and dynamic knowledge-based economy in the world by 2010, to make the education and training systems of the EU a world quality reference also by 2010 and to create a European Research and Innovation Area (Council of the EU 2007). In this way, and as Veiga and Amaral (2008) noted, the Lisbon strategy has the EU hallmark that was initially absent from the Bologna process. The following excerpt attests this amalgamation of interests and recalls the common concerns shared by the Bologna framework and the EU: increased employability and *modernisation* of social welfare and educational systems

> "The Lisbon strategy builds on the 1997 Stability and Growth Pact and on the need to coordinate the Cologne process (macro-economic policies); the Cardiff process (structural reforms) and the Luxembourg process (employment policies). The application of the Amsterdam treaty in 1999 acknowledged employment as a matter of common concern for European member states and one of the Union's goals. The Lisbon strategy included European employment policy. It brought together measures for building further knowledge infrastructures, enhancing innovation and economic reform, and modernising social welfare and education systems" (European Council, 2000)."

For Gornitzka, in terms of educational and research policy, not only did the Lisbon strategy reasserted (or restored) the role of R&D for economic competitiveness and growth, but it has also underlined the role of education as a core labour market factor and a central agent in social cohesion. Additionally, it allowed the establishment of *common* concerns and priorities (2007: 160). In this way, the Lisbon strategy, as "… a practical-political expression of the way in which education and research as policy areas are defined and framed within the knowledge economy discourse" (Gornitzka 2007: 160), is embedded in a neo-liberal ideology or in a "common model of socio-economic development" where science-base innovation is seen as the engine of economic development (*ibid*). Additionally, the author also argues that it represents an attempt of horizontal integration by means of linking the social and economic aspects of European integration. Nevertheless, the European integration debate continues to raise discussions on its fully and truly extent, on the different ways the nation-states use these processes (Bologna and Lisbon) to achieve other objectives and even on the real benefits of it. As Rodrigues (2002: 21) explains, the actual implementation of any strategy requires a political engine, or a governance centre at the European level with the power to coordinate policies and to adapt them to each national context. In this way, the Lisbon decisions made this governance centre stronger considering that the European Council plays a sturdy role as a coordinator since the moment it adopted an OMC among member-states, as we shall see in the following section.

It is interesting to note that as it has happened with the Bologna declaration, the Lisbon summit represents more an agenda than a truly *commitment* for competitiveness and social cohesion, and therefore it was also written with a certain degree of vagueness, a necessary condition for reaching consensus on the common goals for the member states (Gornitzka 2007: 161). This new way of governing goes beyond the "visible hand of the public authority" (Enders 2004), which means, beyond the nation-sate, and at the same time, without relying on the traditional EU control means.

Briefly, it can be said that in a global competition environment, and whether one looks at the Bologna process as the (re-)start of a reform cycle which has been strongly supported by the Lisbon strategy, this agenda emerges from the old "feeling" of some actors and desires of the EC to *adapt* universities to the knowledge society. For this to happen several changes were put in practice, namely a strong emphasis on research, stressing the production of *useful* knowledge and relevant technology (Mode 2 knowledge production) and the creation of synergies between HEIs and non-traditional actors. All this would not be possible without changing institutional governance and management, which become significantly easier since the moment the EC was increasingly linked with the Bologna process, and later on with the adoption of the OMC, a central tool for implementing the EHEA. The Lisbon Strategy paved the way for the EU to set the method that would be used to coordinate the Bologna process and this is how the OMC was for the first time applied in the education field. Both the Bologna process and the Lisbon Strategy share the common use of *soft law* tools rather than the traditional *hard law* methodology of European legislation.

1.5 The Open Method of Coordination as a Governance Tool

The common process of European integration has been carried out through the "Community method", a kind of working tool which consists in the transfer of powers from the member-states to the EU, namely to the EC. The Commission then arranges communitarian policies and controls the adoption of mandatory standards, and hence the designation of *hard law*. With the enlargement of EU policies that go beyond the economic domain, nation-states felt their powers have been reduced and therefore they started to call into question the traditional integration model. Nevertheless, in areas such as (higher) education, the EU could not use the traditional "Community method". It is mainly due to this factor that a *soft law* type of methodology is believed to be the most appropriate to coordinate the various levels of interaction under which the Bologna process operates and needs to be implemented. This allows member-states to fully respect the principle of subsidiarity, while fostering convergence on common interests and common priorities (Rodrigues 2002: 22).

Maria João Rodrigues (2002), one of the main responsible people for the "articulation" of the OMC, reassures, however, that the method does not seek full harmonisation, but rather the development of each member-state and its coordination. Nevertheless, one of the problems of this method, or at least with its name, is its ambiguity: both 'coordination' and 'open' were not defined in Lisbon, where the word 'convergence' was used, presupposing more political determination than simple coordination (Radaelli 2003: 14-15). Furthermore, it works in a twofold parallel way. Not only it has offered the member-states and the EU institutions "(…) a template for coordinating public policies within the EU that in principle would not upset the balance between the nation states and the supranational level" (Gornitzka 2007: 155), but it has also the advantage of allowing some governments to shift the blame of unpopular domestic agendas to the OMC process or the EU (Mosher 2000; Schäfer 2002; Zeitlin 2005). Additionally, the fact that both the Bologna process and the Lisbon strategy objectives (despite different in their nature) are *intentionally* broad and with a non-binding character as a means of achieving consensus among so many countries also explains the rationale behind the use of *soft law*. Indeed, with respect to the Bologna process, Amaral and Neave (2009a) refer that:

> "Bologna was to be carried forward by using 'soft law' procedures, which allowed each country to decide how to fulfil the agreed objectives. Each country would draw up a new legal framework that both provided for the implementation of Bologna and at the same time took account of national agendas and the unique characteristics of each HE system" (2009: 290).

This different paradigm of governance "style" has allowed the EC to enter in areas that were previously much more difficult to access (e.g. HE) because they were protected by the treaties of the Union, i.e. they were reserved for the sole political action of individual member states (Veiga and Amaral 2009). Moreover, a different kind of coordination that does not completely rely on harmonisation would allow for a more respectful attitude towards national system diversity, which is seen as a problem when one wants to implement convergence policies. Nevertheless, it is also important to distinguish here that the policy process to implement the EHEA is substantially different from the process of implementing the ERA, or by other words, the establishment of these spaces are subject to different legal regimes (Gornitzka et al. 2007). In principle, the implementation of ERA is less dependent on changes in national legal frameworks and therefore less dependent on European integration, seeing that the later is a process more rooted in legal integration (2007: 201).

Complementary to these perspectives, Radaelli (2003) argues that the OMC is, above all, an eminently legitimising discourse. As such,

> "(…) open coordination enables policy-makers to deal with new tasks in policy areas that are either politically sensitive or in any case not amenable to the classic Community method. The result is that practices that up until a few years ago would have been simply labelled 'soft law', new policy instruments, and benchmarking are now presented as 'applications' if not 'prototypes' of 'the' method" (2003: 7).

Therefore, the author claims that one should not refer to the OMC as "the method", but rather as "several" methods or practices, considering that their use varies depending on different policy areas.

As an inclusive method for deepening European construction, the OMC's main source of inspiration is the Luxembourg process regarding European employment strategy (Rodrigues 2002: 22). Thus, its origins go back to the year of 1994 when, in connection with the development of the Monetary Union, the European Council decided to monitor national developments (by analysing indicators as growth, competitiveness and employment), leading to the establishment of common objectives and surveillance by the EC and member states (Schäfer 2004). Later on, following the Lisbon European Council conclusions (2000), it was decided to apply the OMC to other (eleven) policy fields, namely "... information society, R&D, enterprises, economic reforms, education and social inclusion" (Rodrigues 2002: 22). Following this, Gornitzka (2007) refers that when both the Bologna process and the Copenhagen process were included in the European Commission Education and Training Programme 2010, it was clear "… how much the OMC process had became a magnet for policy initiatives that the Commission had been working on prior to the Lisbon process as well as those that were spurred by it" (2007: 167). Thus, one could ask what are the implications of using this method in the HE field, its real advantages and the actors who *(eventually)* benefit from it.

Although the method is not unprecedented[12], the OMC offers a new approach to governance of the EU. It has some innovative "features", "properties" and "instruments", of which the following should be highlighted: flexibility, routine procedures, multi-lateral surveillance, indicators and guidelines, benchmarking and sharing of best practices and lack of formal restrictions. It is thus a "decentred and dynamic process" (Hodson and Maher 2001: 719). More specifically, and mainly based on the analysis of Régent (2002), Raedelli (2003) and Maria João Rodrigues (2006), the researcher will focus on those properties of the OMC implementation process that she believes have a close connection to the object of study and consequently with the NPM ideology.

The OMC goes through several steps, being implemented by stages. The first one is the identification and definition of common objectives, by the European Council, to guide national policy. Then, it is necessary to fix guidelines and set timetables in order to achieve the goals previously established (short, medium, and long-term goals). A third stage when implementing this tool, and which has been widely criticised, is the establishment of indicators and benchmarks as means of comparing best practices (Gornitzka 2008), namely to compare the performance of the member states, something which is done under the supervision of the EC. Nevertheless, in a political

[12] Hodson and Maher (2001) explain that coordination has been in the Treaty since 1958 when member states promised to coordinate their economic policies, and since the 1970s employment issues were also object of coordination.

context, benchmarking may act as an obstacle to the learning process because it might reduce diversity and heterogeneity, which are two essential properties of evolutionary learning systems. Additionally, by focusing on success, benchmarking may not reflect enough on the lessons provided by failures (Radaelli 2003: 41).

Finally, the outcomes achieved are periodically monitored and evaluated. Periodic assessment, the last stage underlying this process, consists essentially in a set of joint techniques such as statistics, indicators and peer review organised as a mutual learning process. The aim is to monitor and evaluate the process periodically through other member states in order to learn from each other (Gornitzka 2008), as for example the BFUG is supposed to do. However, Raedelli (2003: 41) draws attention to the fact that successful competitive strategies are based more on distinctive and unique aspects than on the imitation that benchmarking tends to create. Interesting enough is the fact that the sanctions for those countries which performed poorly, relies on a kind of peer pressure, by "naming and shaming" those who did not attain the goals (Veiga and Amaral 2008).

Rodrigues (2006) explains that this methodology does not aim to rank the member states. It rather works as a kind of guideline, which encourages states to create a European dimension and to adapt them to national diversity. Not much different from this view, Régent (2002) argues that "Lisbon strengthened the logic of mutual learning, benchmarking, best practice and peer pressure to achieve objectives" (2002: 5).

Gornitzka (2007) criticises this type of law for not being effective, considering it too cumbersome and legalistic. The same view is shared by Veiga and Amaral (2006), who draw attention to the fact that "... policy implementation in HE is non-linear, and therefore, the use of soft law mechanisms such as the OMC is not effective when national governments have their own polices" (2006: 292). Indeed, one of the OMC problems relates (curiously and ironically) with this lack of coordination emerging from different national agendas, a situation particularly evident in the case of the Bologna process and which is quite understandable when one thinks that educational policies have not experienced any form of real coordination until this trial (Radaelli 2003: 17).

With respect to HE, the OMC tends to represent, in its ideal form, a new paradigm of governance, which found fertile soil in the EU's "lack of democratic legitimacy" environment, favouring in this way the emergence of EU network governance (Eising and Kohler-Koch 2000). The method was not entirely based on a top-down perspective. It is rather a "... middle way between intergovernmental negotiations and mutual adjustment (...), a coordination mechanism without economic sanction" (Gornitzka 2008), being thus more flexible and, at least ideally, more respectful towards system diversity. Nevertheless, and despite its interesting theoretical approaches, it is common to find in the literature several critics concerning its use in general and its real degree of

convergence. More specifically, doubts are raised regarding its implementation in the HE field. Veiga and Amaral (2009) refer to the 2007 stocktaking report where the national governments were asked to produce national actions plans for recognition as an example of an OMC tool. It seems that, by means of all these instruments (peer pressure, constant comparison using indicators, regular ministerial meetings, naming and shamming logic), the aim of using this type of methodology in the implementation of the Bologna process is that other countries feel *stimulated* to keep the implementation pace. Thus, for countries performing worse than their counterparts, the OMC uses a peer-review system and "naming and shaming" mechanisms to promote change, based on qualitative and quantitative performance indicators. This logic of "numerical information" compels low performers ('laggards') to reshape efforts, conforming to common goals due to reputational reasons (Veiga and Amaral 2009). Or, as Oosterwijk (2008: 62) puts it, in a more positive view, the Lisbon process has created a certain mindset where nation states are willing to learn and to inspire each other towards the challenges that European reforms pose. Thus, it can be said that the OMC incites to permanent movement among the signatory countries, but it is unclear how far and how it produces effective coordination, considering different contexts, agendas, traditions and history and type of welfare state and/or political-administrative system each nation has. Amaral and Neave (2009) believe that due to a lack of coordination emerging from different national agendas, the OMC does not guarantee complete convergence, at least at the lowest levels of implementation (Amaral and Neave 2009). Simultaneously, the "movement" in the process is also achieved through the constant adding of objectives to the process. Veiga and Amaral (2009) refer that these have been increasing in quantity and refinement, aiming "… at keeping the impression of progress, of successful implementation (like riding a bicycle, if you stop you fall)" (2009: 135).

The fact that EU leaders, heads of state and HE ministers differ in their definitions of "main goals" and priorities, and even such factors as "domestic opportunity structure and socialisation effects" (Radaelli 2003: 54) explains why coordination is so difficult to achieve. Furthermore, according to the author, the overall level of coordination remains low because there is a certain degree of political inconsistency and incoherence, which becomes more visible considering that there is not enough involvement at all levels of action among all participants (e.g. national parliaments; social partners and citizens) in the process and not all of them share the same goals. And even at the national level, there is a multitude of different actors (e.g. HEIs and their staff; governments; trade unions; private entities; etc.) with diverse strategies, ideas and interests. This was also the conclusion achieved by the group commissioned by the European Council to carry an independent critical review to assess the implementation of the Lisbon Strategy. From this review, Kok (2004, cited in Veiga and Amaral 2009) acknowledged that "the progress of the Lisbon strategy

has suffered from incoherence and inconsistency, both between participants and between policies" (2009: 135). A more recent example of paradoxical situation or inconsistency is provided by the latest Bologna process Communiqué (2015) adopted in Yerevan, and where Belarus was approved as a member in the process, an aggregation that has been linked to recent geopolitical developments, despite frequent concerns regarding academic freedom in the country (Corbett 2015).

Radaelli (2003: 12) also criticises the overemphasis on benchmarking and performance indicators by stating that they are not the only show in town. Similarly to Radaelli's opinion, Gornitzka (2008) refers that one of the main problems with the OMC is the excessive number of performance indicators to translate very broad goals. This, in turn, will lead to an ambiguous procedure of policy design and subsequent implementation. Moreover, the author also argues that the objectives are much more directed at other levels of education than HE. There are thus possible areas of tension when developing this kind of cooperation policies. And that is why the literature on this *new* mode of governance has triggered debates about the *legitimacy* of the method, i.e., towards the extent of how policy coordination among 49 countries can be in fact achieved without *hard law*.

In sum, it is difficult to explore the boundaries between cooperation and competition and between divergence and convergence. To what extent is it possible to have coordination among different levels of action? Until when does cooperation cease to give rise to competition? In fact, Kohler-Koch (2005) states that the OMC is a soft way of de-bordering government and that the European monitoring links with internal political competition. Other questions are to what extent convergence policies should be reinforced and in which cases should be implemented? And to what extent does the OMC allow national governments to pursue reforms that otherwise would not have been undertaken? And how it contributes to the diffusion of NPM practice by treating HE as something that can be traded in the global market, which is only worth because it creates economic growth and which see students as consumers? And what happens with those areas of knowledge, which are seen as "non-economic growth fields/contributors"? And how all this way of thinking implies on Finnish and Portuguese HE systems and institutions?

II
Governing in a Governance Change Environment

> "Whether the old powers of the professoriate will ever be restored is much to be doubted. In the days when Poland was under Communist rule, there were dissidents who conducted night classes in their homes, running seminars on writers and philosophers excluded from the official canon (for example, Plato). No money changed hands, although there may have been other forms of payment" (Coetzee 2007: 35-36).

2. The Meaningfulness of the Governance Concept

The term *governance* has become a core concept in several academic fields, such as public administration, political science, sociology, law, economics, etc. It is a key issue when studying policy processes, since it defines the normative framework within which these processes take place. Therefore, it is usual to find a handful of definitions of the term in question according to the field of study.

Etymologically, the word *governance* derives from the Greek verb κυβερνάω [*kubernáo*], which means *to steer* and it was used for the first time in a metaphorical sense by Plato to describe the act of governing people. It then passed on to Latin, *gubernare,* and then on to many other languages[13] (Suu 2007: 1).

Roderick Rhodes (1996), a political science scholar, refers that the term governance as a popular concept is quite imprecise, having several meanings and not all of them being entirely useful and/or clear. He identifies, at least, six different uses for the word, corresponding to different forms of governing societies: the minimal state, corporate governance, new public management, good governance, social-cybernetic systems and self-organisational networks (1996: 652). Some of these perspectives will be explored later on throughout this chapter.

Rhodes (1996) states that the concept of governance embraces two parallel meanings, which often overlap and vary according to the topic of study. In the same line, also Adrian Leftwich (1993) refers that the first meaning is usually connected with administrative and managerial terms, whilst the second connotation, which is associated with Western governments, is more political (1993: 604). In this way, the author considers that interpretations provided by the WB and by the OECD fall more into the managerial field, often *reduced* to efficiency and accountability, as can be noted by

[13] In Portuguese, the term "governance" is translated to "… governar, governo, governação, **governança**" (Suu 2007, emphasis in document itself). It is also common to find the word steering associated with the concept of governance. Though there is some literature distinguishing between "steering" and "governance", here both words will be used indiscriminately.

the following definition of governance: "(…) the manner in which power is exercised in the management of a country's economic and social resources for development" (WB 1991: i). On the other hand, through a political perspective, Guy Peters (2001) defines governance arrangements "(…) as the set of institutions which governments use to exercise collective control and influence over the societies for which they have been given responsibility" (2001: 1). In fact, it is this political meaning of the word governance that largely explains the recent popularity of the governance concept, i.e. "its capacity to cover a whole range of institutions and relationships involved in the process of governing" (Pierre and Peters 2000: 1). Governance is seen as a "change in the meaning of government, referring to a new process of governing; or a changed condition of ordered rule; or the new method by which society is governed" (Rhodes 1996: 652-653).

A complementary perspective is provided by Leftwich (1993) who associates the concept of democracy to the idea of good governance. Based on the common assumption that both these aspects are essential conditions for development in all societies, the author mentions that "… democratic good governance refers generally to a political regime based on the model of a liberal-democratic polity, which protects human and civil rights, combined with a competent, non-corrupt and accountable public administration"[14] (1993: 605). Subsequently, in its political sense, and like most Western governments interpret it, 'good governance' builds on the traditional liberal notion of a clear separation of legislative, executive and judicial powers (1993: 611). From a more administrative point of view, and similar to the WB view, the author highlights the characteristics of good governance as "… an efficient, open, accountable and audited public service which has the bureaucratic competence to help design and implement appropriate policies (…)" (1993: 611).

Following these views, the work of Jane V. Denhardt and Robert Denhardt (2000; 2007) points in the direction of a New Public Service (NPS) movement (or even *Public Value Management*, Stoker 2006) which calls for the reaffirmation of democratic values, citizenship and service in the public interest as the normative foundations for the field of public administration (2007: 11). According to Denhardt and Denhardt, and similarly to Leftwich (1993), democratic citizenship *demands* that citizens are more actively engaged in governance. Individuals should thus look beyond self-interest to the larger public interest, adopting a broader and longer-term perspective that requires knowledge of public affairs, a sense of belonging, and a concern for the whole (2007: 30). Briefly, the NPS represents a mode of governance which (aims at) places citizens at the centre and it is based in some distinctive guidelines and/or lessons which are mutually reinforcing. The most compelling are: i)

[14] Leftwich (1993) develops an interesting discussion in his paper. He opposes to the idea, developed in the 1960s, that "… democracy was a concomitant of 'modernity' and hence an outcome of socioeconomic development, not a condition of it" (1993: 612). An interesting discussion about the concept of democracy beyond the idea of a political regime (as a governance model), but rather as a general way of society is provided by Chauí (1999; 2000).

serve, rather than steer; ii) the public interest is the aim, not the by-product; iii) think strategically, act democratically; iv) serve citizens, not customers; v) accountability is not simple; vi) value people not just only productivity, and vii) value citizenship and public service above entrepreneurship (Denhardt and Denhardt 2000: 553-557).

One should remember that these definitions, as well as others related with the term governance, need to be interpreted bearing in mind cultural differences, once these concepts mean different things to different cultures and depend on specific national circumstances and policies.

Taking Portugal and Finland as examples, it seems that the whole NPS package or even the good democratic governance model explained by Leftwich (1993) does not apply, at least entirely, to the Portuguese case. Furthermore, the scope of the concept of democratic good governance is wide and, as the author refers, it has three main components, or levels. Ranging from the most to the least inclusive, these are: systemic, political and administrative. From the systemic point of view, the concept of governance is wider than the concept of government. While the concept of government refers to the formal institutional structure and location of authoritative decision-making in the states, governance refers to a looser and wider distribution of both internal and external political *and* economic power (Leftwich 1993: 611). In this sense, and as the author puts it, by intersecting political and economic relationships and structures of power, governance denotes a *system* of political and socioeconomic relations. From the political level, the concept of good governance suggests or "(…) implies a state enjoying both legitimacy and authority, derived from a democratic mandate (…)" (1993: 611). Finally, at the administrative level, good governance remits us for an open, accountable and audited public service, which works efficiently when supported by the virtues of bureaucracy (*ibid*).

Following Leftwich (1993), James Rosenau (2000) draws our attention to the importance and correlation of these various levels of action when defining the concept: "… it seems a mistake to adhere to a narrow definition [of governance] in which only formal institutions at the national and international levels are considered relevant". Therefore, "the concept of governance should not be restricted to the national and international systems but should be used in relation to regional, provincial and local governments as well as to others social systems such as education (…)" (2000: 121-122).

In fact, the object of study demands us to take into account the governance concept beyond the local level, given the increasing influence of the European level in the definition of educational policies in each nation-state. Thus, it is added to the these perspectives the definition provided by the EC of "European governance", which defines it as "(…) the rules, processes and behaviour that affect the way in which powers are exercised at European level, particularly in what openness,

participation, accountability, effectiveness and coherence is concerned. These are considered the 'principles of good governance', which are reinforced by those of subsidiarity and proportionality (cf. previous chapter) and apply to all levels of government – global, European, national, regional and local" (EC 2001: 10). Bearing this in mind, throughout this study the interconnectedness of these components will be visible, conferring great peculiarity and complexity to the process of governance within the HE field.

The term governance is frequently associated with other complementary concepts. It is usual to find in the literature clarifications on the distinction between governance and government. Despite the term government being frequently used more abstractly and sometimes even as a synonym of governance, the former differs from the later in the sense that government is the instrument through which governance is exercised. As Leftwich (1993: 611) puts it, "(…) government conventionally refers to the formal institutional structure and location of authoritative decision making in the modern state", being therefore a much more restricted concept than that of governance. Another helpful insight in this distinction is provided by António Magalhães and Rui Santiago (2011), who clarify that the meaning of governance is associated with policy instruments, their development, management and assessment. Magalhães and Santiago (2011) also suggest that by using these instruments to deal with political issues, governance is assuming the form of governing, i.e. traditional ways of governing society, politics and economy have changed. Consequently, the development of this separation had important impacts on policy making.

Rhodes (1996) uses Sammy Finer (1970) definition on government, which states that government is: "'the activity or process of governing' or 'governance'; 'a condition of ordered rule'; 'those people charged with the duty of governing or governors' and the 'manner, method or system by which a particular society is governed'" (Sammy Finer *in* Rhodes 1996: 652). Although these set of ideas seem to provide a distinction between governance and government, Rhodes (1996) also points to the fact that governance refers to a "… *new* process of governing; or a *changed* condition of ordered rule; or the *new* method by which society is governed" (1996: 653), as Magalhães and Santiago (2011) have also highlighted. And this idea, the emergence of a *new* method or process through which society is governed, a complex set of institutions and actors that go beyond government (Stoker 1998), is essential for this analysis in order to understand how traditional ways of governing the public sector, namely HE systems have been changing.

At this stage, it should be mentioned that Guy Peters and Rod Rhodes share different positions on the concept of governance and about the role governments have in steering societies. While Rhodes (1997) supports the idea that governments lost the power and capacity to steer increasing complex societies, and there has been a movement of power towards multi-level and network modes

of governance, Guy Peters (2005: 3) acknowledges that although there have been shifts in the "conventional" way of governing, there are some components of governance for which government is even more essential, than in the past. A common point in the literature is that as societies grow in complexity – due to the growing fragmentation of political power, the preoccupation with efficiency as the major criteria for public action and concerns regarding financial constraints, etc. (Salamon 2002: 37) – governments have been "reinvented" and elaborated on tools to cope with a multiplicity of scenarios. Thus, new governance approaches strive at governing problems of complex societies, in which attention has shifted "from hierarchic agencies to organisational networks" (Salamon 2002: 11)[15]. This shift makes necessary to study the (relative) and sometimes conflicting influence of NPM in order to understand recent national HE reforms (Bleiklie and Michelsen 2012: 116).

In sum, the process of governance combines four classic activities. According to Peters (2005: 3-5), these four activities in governance are:

i) Articulating a common set of priorities for society, as this set of priorities (goals) represents the principal place for government in governance;

ii) Coherence, as the goals defined for good governance need to be consistent and coordinated. It is acknowledged that, in some nation-states, governments govern in an incoherent and uncoordinated way (as the case of Portugal), but this is an inefficient and excessively costly process, as referred by the author.

iii) Steering: once a set of goals is established there is the need to find ways of achieving those goals and steering the society to attain those goals.

iv) Accountability: the final requirement in the governance process is to make those who govern accountable for their steering. Accountability has been gaining importance in the governance and management agendas in public institutions. Nevertheless, in some cases these same pressures for increasing accountability have been exacerbated to a point where democracy and performance assessment exercises in HEIs have been perverted.

[15] The concept of *new governance* tends to overlap and/or to be confused with the term *metagovernance*, as this last one is an umbrella concept that describes the role of the state and its characteristic policy instruments in the new governance (Bevir 2009: 1). This is so because *metagovernance* relates with the complexity of the state's role and actions in securing coordination in the new governance, i.e. the mission the state has in coordinating actors and organisations that perform governance (*ibid*). Bevir (2009) also refers that the main debates about new governance mirror those about multilevel governance and *metagovernance*, namely the doubts whether the state is being hollowed out, whether the new patterns of governance are more efficient than the old ones, and what implications these new models of governance pose for democracy.

These dimensions translate the nature of state-society relationships in the pursuit of collective interests and allow us to examine governing in a variety of settings (Peters 2005: 6). Additionally, they will *guide* the researcher through the data analysis and the discussion of findings parts.

Understanding the governance context under which relationships between HEIs and governments occur (and how they happen) allows depicting institutional responses to this interaction. Furthermore, this analysis will account for conflict/mismatch relations regarding objectives, policies and means to achieve desired outcomes in both Portuguese and Finnish HE systems.

In the HE arena, governance encompasses a complex coordination of legislative frameworks, which needs to be drafted according to the system and its institutions' characteristics. Additionally, Cloete, Maassen and Muller (2005) explain that governance in HE relates to the way in which the management functions and decision-making structures in the sector are arranged (2005: 208), meaning this that governance at system level can be seen as "(…) a relational concept that includes leadership, management and administration, and, somewhat more implicitly, a sense of purpose and direction (…). In other words, governance is about both structures and behaviour" (Goedegebuure, Hayden and Meek 2008: 146). Magalhães and Santiago (2012: 227) add that governance is associated with political instrumentality, its elaboration and assessment.

Maassen (2003: 32) defines institutional governance as "(…) the frameworks in which universities and colleges manage themselves and about the processes and structures used to achieve the intended outcomes (how HE institutions operate)". A complementary element of the governance process is legitimacy: "'Who is in charge, and what are the sources of legitimacy for executive decision-making by different actors?'" (Eurydice 2008: 12).

There is, indeed, an extensive literature on governance, covering several areas and connecting different academic fields, as well as different perspectives, according to its authors. From what has been exposed, one should understand how this key concept evolved, allowing us to better understand how change happens in HE. Among other factors, this change is inseparable from the idea that governance is assuming the form of governing (Magalhães and Santiago 2009). Broadly speaking, it can be said that governance in HE refers to the way HEIs operate, the way they are formally organised and managed at various operational levels, so that actions and policies are coherently organised. It requires and uses different instruments and modes of interaction between the actors and environments involved, namely the State and society and, within society, the different groups, actors and stakeholders composing it.

When defining and referring to the concept of governance, and as can be read throughout its several interpretations, the term *management*[16] is frequently used in the definitions, and sometimes, both concepts are used indiscriminately. Maassen (2003: 32) clarifies this distinction, stating that: "(…) management is about outcomes achievement and the monitoring of institutional effectiveness and efficiency in the distribution of resources (…)". Within HE institutional dynamics, management "(…) must transact in an increasingly complex environment that contains not only government and business agents, but also an escalating range of 'stakeholders'" (Muller, Maassen and Cloete 2006: 297).

AntónioM Magalhães and Santiago (2012) draw our attention to the intersection between governance and management and institutional autonomy, namely to the challenges in steering different HE systems. This process cannot be isolated from national political contexts, as HEIs, which although being relatively autonomous institutions, they depend on national and international powers and decision-making dynamics to successfully implement reforms.

The following section intends to explore the journey of the role of the state in the public sector, paying especial attention to the significance of the "Welfare State" (Osborne and McLaughlin 2002) and how it has gradually been challenged to the adoption of a *new* ideology, the "New Public Management" (Rhodes 1996; Pollitt 2003). By doing this, it is possible to identify the major lines guiding governance and policy-making in both Portuguese and Finnish HE systems, as well as to understand their dynamics.

2.1 The Traditional Role of the State in the Public Sector

Defining chronological periods in the evolution of public management systems can be a very delicate task. According to Dunleavy et al. (2006: 468), new developments emerge and accumulate while older trends still exist and are apparently flourishing[17]. This brings us to the *sedimentation* concept (cf. pages 115, 124, 136). Thus, although considered to be into force throughout the second half of the 20th century, from 1945 to 1980 (Osborne and McLaughlin 2002: 8), it is believed that the welfare state emerged as a direct consequence of the 1929 Great Depression crisis and expanded

[16] The words "administration" and "management" are only one word in Finnish language: *hallinto*, "... which refers to both administrative practices and the management of universities" (Välimaa 2011).

[17] In their study about the historical development of public administration and management in the UK, Osborne and McLaughlin (2002) identify four different stages of development of public services' nature, starting from the late 19th century onwards (2002: 7). These models of organisation and state intervention are chronologically presented by the authors as: *the Minimal State, the Unequal Partnership, the Welfare state* and *the Plural state*. Despite slight differences, and considering different regions' specificities, these models can be compared to Olsen's (1988) models of governance and even to some of Rhodes' (1996) six forms of governing (which are also descriptive of the UK context).

with the end of the totalitarian regimes in Western Europe and with the hegemony of social-democratic governments, which defended a series of social rights essential for the well-being of every citizen.

The Portuguese sociologist Boaventura Sousa Santos (1991: 33) argues that the welfare state was the dominant political form of the state in central countries in the phase of "organised capitalism" period, and as such is part of the fordist mode of regulation. This stage is characterised by four main elements:

> "First, a social pact between capital and labor under the aegis of the state, a pact whose ultimate goal is to make capitalism and democracy compatible; second, a sustained, even tense, relation between accumulation and legitimation, third a high level of expenses in social consumption (welfare services); fourth an administrative structure that has internalized the social rights as rights (not as state benevolence)" (Santos 1991: 33).

Santos (1991) also draws attention to the fact that although welfare policies have predominantly an economic and market character, they go far beyond the economic sphere once they also would strength the community principle and the (citizen-citizen) horizontal relationships between citizens. Santos (2000) refers that the distributive character of social policies lays on a solidarity notion that resembles the horizontal political obligation, from citizen-to-citizen, which he considers to be the essence of the community principle (2000: 148). Nevertheless, when worldwide financial conditions started to be unfavourable, these relations would eventually switch to a state-citizen vertical relationship, where citizens would be excessively dependent on the state:

> "In fact, with the Welfare state, the horizontal political obligation was transformed in a double vertical obligation between taxpayers and the State, and between the beneficiaries of social policies and the State. In this way, the exercise of autonomy that the community principle presupposed, shift from an exercise of dependency towards the State" (2000: 148).

Nevertheless, although today many European countries face evident difficulties to maintain a social welfare state, this political social organisation was in force throughout the second half of the 20th century. According to Osborne and McLaughlin (2002: 8), in the UK (the earliest example of industrial capitalism) this third stage of public management development lasted until the 1980s.

According to the Danish sociologist Esping-Andersen (1990), welfare states are represented by three basic models, which correspond to variations in the historical development of different Western countries. These are: the Institutional welfare state (also called the Nordic/Scandinavian model or social-democratic model), the Continental European welfare state (typical of conservative regimes such as Germany, Austria, France, Italy and Portugal) and the Liberal welfare state (Australia, Canada and the US). During this study, particular attention will be paid to the Institutional and Continental European models, once these refer to the countries belonging to the object of study. Nevertheless, there are aspects and circumstances that are transversal to the three models and

which need to be taken into account in order to understand the evolution of governance models in the public sector.

Although the use of the term *welfare* is associated, at least in Continental Europe, with the comprehensive measures of social insurance adopted in 1948 by Great Britain on the basis of the report on Social Insurance and Allied Services (1942) by Sir William (later Lord) Beveridge, it is commonly argued that the Welfare model has been applied more intensively in the Nordic countries, inspired by the Swedish economist and sociologist Karl Gunnar Myrdal, from the Stockholm School and later on a Nobel Prize laureate (Esping-Andersen 1990). Myrdal argued that modern social policies were not only related to income distribution, but they also performed an essential role concerning the economic development itself, having as primary goal the gross domestic product (GDP) growth. As such, social policies should be seen as investments instead of costs as they are a precondition for economic efficiency (Myrdal and Myrdal 1936 *in* Esping-Andersen 1990: 12). This peculiar way to look at societies' economic organisation has its roots in the Keynesian thought, i.e. the existence of a mixed economy of macroeconomic planning: private, and simultaneously with active policy responses by the government and the public sector (*ibid* 1990: 162). The dominant ideology was based on the assumption that public expenditure should be interpreted as a collective investment, through constant collaborations and partnerships between the state, trade unions and private companies. As the community principle entails (Santos 2000), the state should be the main guarantor of all needs of its citizens, promoting their economic and social well-being '*from the cradle to the crave*' (Beveridge 1942; Osborne and McLaughlin 2002: 8). Thus, under the welfare principles, any individual should be granted a set of goods and services directly provided by the state, or indirectly, through its regulatory powers and/or delegation, such as: education, health care, housing, unemployment assistance, minimum income guarantee which was mainly provided by social insurance schemes), etc. In the UK, "(…) this was certainly the high point of the hegemony of public administration upon the provision of public services" (Osborne and McLaughlin 2002: 8). However, from the late 20th century onwards, the welfare state started to be heavily criticised for being inefficiently and ineffectively managed and by only focusing upon the provision of a minimum standard of services to its citizens (2002: 8).

Clarke and Newman (1997) explain that the notion of *public service* – as a set of values, a code of behaviours and forms of practice – became institutionalised through the settlement between two modes of coordination, which constitute the organisational construction of the (British) welfare state: bureaucratic administration and professionalism (1997: 4). Professionalism, one of the main hallmarks of the welfare state, means that public services needed the intervention of different knowledge experts to deal with the "indeterminacy of the social world" (1997: 6). These experts

were professionals who organised themselves within traditional professions and were subjected to the state dependency. They had the mission to promote public good and social development through their professional expertise[18]. This expertise was essential to define the scope and nature of public service provision. As Ackroyd (1995) states, public service professionals were gradually allowed to control the definition and mode of delivery themselves and to have great manoeuvre in the control of day-to-day decision-making processes, and even to gain a lot of day-to-day control from local politicians (1995: 27). According to the author, this is called the producers' cooperative mode of delivery, once there were the services' producers who defined and controlled what public services were given. In Ackroyd's view, this "was the foundation for the success of the early years of the Welfare State" (1995: 27). Thus, professionalism developed simultaneously as an occupational strategy – by defining entry and negotiating rewards according to expertise and as an organisational strategy – and by setting the archetypes of power around which organisations are coordinated (Clarke and Newman 1997: 7). For Mintzberg (1983), the central role of professionals represents the most structuring element in the functioning of some institutions, designated as professional bureaucracies. In fact, during this period, the role of professionals has been pivotal and highly motivated groups emerged, characterised by their advanced training as public services' experts (Carvalho 2009).

The second coordination element architecting welfare models, bureaucratic administration, is based on the Weberian ideal type of bureaucracy, as well as on the principles constituting good governance and acceptable public administration (Weber 2007). The old model of public administration, also called "The Old-Time Religion" (Peters 2001: 4), is usually characterised as being a hierarchical and rule-bounded system, composed of permanent and stable civil servants with full-time and "lifetime commitment" paid employment. Indeed, joining a public organisation was very often compared to joining a Japanese corporation (Peters 2001: 9). However, this was one of the most criticised aspects of this model, under the argument that permanence tends to difficult coordination policies, creating the fear that "a future dinosaur was being created" (Kaufman 1956: 10).

Additionally to these characteristics, and based on the concept of legal-rational authority, the Weberian model of public administration is characterised by an apolitical and institutionalised civil service (typically found in Anglo-Saxon countries), with servants committed to their services and duties, governed under internal regulation and with equality of outcomes, meaning this the existence of equal payment and conditions of employment for similarly qualified employees across the civil

[18] Clarke and Newman (1997: 7) refer that the way professionals were recruited was influenced by the Fabian ideology "(…) in which knowledge and expertise are positively valued as the means for promoting rational social development through the machinery of the state".

service (Peters 2001: 12). By an "apolitical civil service" it is meant that civil servants should not have known political allegiances of their own, being able to serve any government. In this way, within this apolitical framework, qualifications and competences weight more than any political issues (Peters 2001).

In Weber's view, bureaucracy was the most efficient, rational and inevitable response of modern state institutions towards the problems created by the development of the capitalist system. Bureaucracy was thus a consequence of this development, representing simultaneously its efficient organisational support (Weber 2007). In the UK, Rhodes (1996) states that "Bureaucracy remains the prime example of hierarchy or co-ordination by administrative order and (…), it is still the major way of delivering services in British government (…)" (1996: 653). In the same line, Leftwich (1993) suggested that the Welfare State was a distinctive combination of democracy, welfare and capitalism. According to Clarke and Newman (1997), bureaucracy existed in an administrative system, based on the execution of continuous and specialised activities and tasks carried out by formally qualified and certified professionals able to perform specific public functions.

The exercise of these principles leads to the rise of an impersonal and rational organisational model, which ensures that, faced with similar situations, the outcomes will be the same (Ackroyd, Hughes and Soothill 1989; Ackroyd 1995). In this way, equality on the way individuals were treated was guaranteed. The great attractiveness of bureaucracy for the welfare state laid precisely in the promise of being socially, politically and personally neutral (Clarke and Newman 1997: 5).

Together with representativeness and executive leadership, neutral competence represented one of the three core values of administrative institutions. In his article about the doctrines of public administration, Kaufman (1956) refers that the quest for neutral competence in governmental officials was based on their "(…) ability to do the work of government expertly, and to do it accordingly to explicit, objective standards rather than to personal or party or other obligations and loyalties. The slogan of the neutral competence school became thus 'Take administration out of politics'" (1956: 1060). Indeed, it is believed that it was this clear distinction between policy and administration, highly supported by Woodrow Wilson (1887) that invested public administration with the possibility to be studied as an autonomous field of study (Carvalho 2009). Wilson (1887) defended that administration should only refer to the coordination and implementation of political programmes. While political issues should be approached only by politicians, administrative matters would be carried out by professionals who were part of the institution, and should not be linked to political decisions or politicians. Through this, the welfare state was based on an overall shared confidence resulting from the pursuit of a common objective for all: the improvement of social wellbeing. In this way, "while administrators could be trusted because their purpose was merely to

implement rules, professionals could be trusted because their neutrality was guaranteed by an ethos of service" (Clark and Newman 1997: 7).

These characteristics, as referred by the aforementioned authors, combine differently and with different balances of power in specific institutional arrangements. Moreover, they evolved over time and they represent responses to problems that existed in the public service by that period (Peters 2001). This does not exclude the possibility of these "paths" having been adopted latter on, in different situations or at different stages, according to each nation's context and type of government. For instance, according to Esping-Andersen (1990), whereas in the welfare model dominant in conservative regimes "(…) the state took on a central role both in accepting the legitimacy of social rights and in retaining differences associated with class and status" and therefore the effect on distribution was minimal, the aim of Nordic countries was "… to promote equality of the highest standards through universal provision and decommodification of social rights[19]".

As a matter of fact, one of the images of the Finnish welfare model in Europe, in addition to such characteristics as democracy and parliamentarianism, remains a mixture of highly taxed public services and social benefits available for the entire population (Salminen 2008: 1243). Due to its history (Finland conquered its independency from Russia in 1917), the administrative system and the foundations for a Finnish civil service were created at the end of the 19th century and by that time the majority of civil servants in the government were lawyers (2008: 1245). It is frequently argued that the mixture of traditional core values, socialist principles and Christian charity with principles of justice and equality were essential for the development of the Finnish welfare state. Indeed, such ideals as compassion, and trust in politicians, in public organisations, and in local authorities are considered to be traditional Nordic values (Salminen 2008: 1253). In the same line of thought, Esping-Andersen (2002) states that in Scandinavia, the welfare states favoured social democracy, universalism, egalitarianism and comprehensive social citizenship (2002: 1).

Although in a peripheral position, Portugal could not escape to the European context which welcomed the Welfare model (the end of totalitarian governments and consequently the hegemony of the social democratic ones). Nevertheless, its *nuances* deserve further reflection, seeing that it is the result of three important stages of development and consolidation. According to Pereirinha and Carolo (2006), the first moment covers the *Estado Novo* period (1926-1974). During this period, the

[19] By *decommodification* the author means that "citizens are freely, and without potential loss of job, income, or general welfare, opt out of work when they themselves consider it necessary" (Esping-Andersen 1990: 23). These characteristics refer to academics, civil servants and higher-echelon white-collar employees. Interesting enough is the fact that, recognising the difficulty in maintaining a universal *decommodifying* welfare system, Esping-Andersen (1990) states that this is best accomplished "with most people working" and "with the fewest possible" existing on social transfers. Nordic countries tend to be the most decommodified countries, whereas Anglo-Saxon societies tend to be the less decommodified.

construction of the Portuguese welfare state occurred in a political and social context of *corporatism* and under demographic and economic changes. This is the *organised capitalism* period (Santos 1989; 1991), a time characterised by the achievement of social and economic rights and by the definition of the state's political form, which would be thus translated into the welfare state (*ibid*). It is a period marked by the creation of *Previdência Social* (social insurance) in 1935 and its subsequent reforms and adjustments that have taken place during the *Estado Novo* period. These reforms encompassed the coverage of classic social risks (income replacement in case of retirement and disability) in a social insurance and intra-professional solidarity logic, based on a corporative nature, ensuring the social rights associated with the labour world (Pereirinha and Carolo 2006). Thus, as Santos (1989) confirms, the "dominant democratic value" in the organised capitalism period was equality.

The second stage occurred after the 25th April Revolution of 1974[20], when the restoration of the democratic regime resulted in the consolidation of citizenship rights, and lately with the universal character of some of them, as it opened new, immense opportunities for social, political and cultural experimentation in all fields of social practice (Santos 1991: 15). This culminated in a huge increase of public social spending, obliging to the reinforcement of fiscal solidarity in order to achieve such "social modernisation". During this period, however, the establishment of social rights was not perfectly achieved. This would be consolidated in the third moment of the Portuguese welfare state development after Portugal joined the EU in 1986 (the European Economic Community – EEC – by then). Undoubtedly this was the kick off to the Europeanisation process of the Portuguese state, and it consisted in the change of the social policy context, from the national to the supranational level (Pereirinha and Carolo 2006: 1-2). Nevertheless, despite these achievements, the sociologist Santos believes that the Portuguese state is not a welfare state in the technical sense, though in some aspects it approximates this political form. What happens is that these "(…) deficits in state welfare are partially compensated for by the social welfare that can be produced in a society which is relatively rich in relation of community, inter-knowledge, and mutual help" (Santos 1991: 33), a phenomenon which he designates as welfare society. Thus, considering the four main attributes of welfare states mentioned above, Portugal had a quasi- or lumped-welfare state in a strong welfare society[21]. By welfare society, the author means "… the networks of relationships of inter-knowledge, mutual recognition, and mutual help based on kinship and community ties, through which small social groups exchange good and services on a nonmarket basis and with a logic of reciprocity (…)" (Santos 1991: 37).

[20] The importance of this event for the Portuguese society and therefore for the Portuguese HE system will be referred on chapter IV.

[21] Santos also explains that due to the strength of the small holding agriculture and the prevalence of rural areas, the forms of the welfare society are dominated by patterns of sociability, by class habituses, cognitive maps and symbolic universe that are usually attributes of rural life (*ibid*: 37).

In general, welfare states are described as regulatory and control regimes, based on a 'professional bureaucracy' (Mintzberg 1983; 2000), and on the Keynesian school of interventionist public economic policy, where the state has a central role in correcting market failures.[22] This resembles much the Van Vught rational planning and state control model, which demanded a governmental strategy of detailed planning. According to Amaral and Magalhães (2001), this model "(…) was based on confidence in the capabilities of governmental actors and agencies to acquire comprehensive and true knowledge of problems, and to examine all alternatives for action and their consequences, before taking the best decisions" (2001: 10).

Although there is common agreement concerning the success of this governance model, the advancement of the Welfare State did not occur without strong criticism. Interesting enough (and as it would be expected when one believes that history is cyclical), critics mainly come from neo-liberal strains and refer to the principles extolled in the past, namely the excessive democracy and excessive control over public enterprises. As Ackroyd (1995) explains referring to the British system, the welfare model success is the real source of many contemporary problems (1995: 19).

The next section presents the scenario that led to the instability of the comprehensive traditional model.

2.2 The Rise of a New Ideology

In addition to the critics to the Welfare state, as well as to its bureaucratic organisation, and to the increasing internationalisation of the HE sector, the scientific theoretical context that supports the restructuring of public sector governance models, both at the system and organisational levels, lays on a set of economic theories derived from economic institutionalism, as the public choice theory, the principal-agent theory and the cost transaction theory. Very briefly, these theories share the following principle: *less state and more market*.

"The Old-Time Religion" system was, on the whole, extremely successful, persisting for several decades (Peters 2001). However, as the Portuguese poet Camões wrote long time ago (16th century), "times change, desires change"[23]. By the late 20th century, the perceived needs of citizens had moved on, away from a collective benefit sense towards a more individual level, i.e. consumers became increasingly exigent, demanding services tailored for each person instead of the "general package" for everyone (Osborne and McLaughlin 2002: 8).

[22] Market failure refers to a situation where the forces of demand and supply do not, for some reason, allocate resources efficiently. This happens "… when markets operating without government intervention, **fail to deliver an efficient or optimal allocation of resources** (Riley 2006, *authors' emphasis*). Therefore – economic and social welfare may not be maximised – leading to a loss of allocative and productive efficiency (i.e. welfare losses for society)" (Riley 2006).

[23] English translation by Richard Zenith (2009).

The rethinking of governance in the majority of industrialised democracies cannot be explained through a linear answer, rather through an intersection of events, which, as referred by Carvalho (2009: 33), can be classified as both cause and consequence. Attempts to move the traditional administration away from its roots have been based on a perceived "crisis of the welfare state", carrying with it issues about the proper role of the state (Ackroyd 1995; Clarke and Newman 1997). Thus, demands for reform are usually connected with intricate economic and political changes (Clarke and Newman 1997; Neave 1998; Peters 2001; Pollitt 2003).

Starting by setting the social, economic and political contexts for the decline of the welfare state, it is widely accepted that in most developed countries these attempts arose at a time when public spending was growing faster than economic growth. This was triggered by the oil crisis of October 1973, when the extraordinary increase in the oil price led inevitably to an economic recession and strict restrictions on public spending, which most countries experienced during the 1970s and 1980s. Combined with this crisis, and while service users became progressively demanding with respect to the design, delivery and array of public services' choices (Osborne and McLaughlin 2002; Pollitt 2003), governments became unable to count with fiscal dividends to fund increasing costs, mainly due to the rising unemployment among young people and negative demographic changes, with its consequences on budgetary balances and political and economic decisions (Eurydice 2000: 314).

Demographic changes, namely population's aging in almost all industrialised democracies is also pointed as an explanatory factor for changes in governance modes, providing that, a smaller number of working-age people would have to share the costs of social expenditure, such as pensions, medical care, etc. (Peters 2001: 14). The confluence of these events is usually referred to as the State's fiscal crisis (O'Conner 1973), based on the idea that the state consumes excessive resources and it is involved in several activities for which it is possible to envisage less expensive alternative forms of service delivery (Carvalho 2009). It is argued that services provided by the state are more expensive and less efficient than if they were provided by the private sector (Pollitt 2003). However, with respect to the assumption that the public sector is less efficient than the private sector, Pollitt (2003) draws our attention to the difficulty in proving scientifically such inefficiency. One would have to find similar functions provided by both sectors, public and private, to compare efficiency gains and this does not happen so easily. Moreover, the image of governmental inefficiency varies significantly from countries like the US and UK where it was more widely accepted, to Nordic countries and continental Europe (Pollitt 2003: 8). By being thought as an 'administrative vehicle', the organisational form for the delivery of public services, was mainly

controlled by qualified experts and administrators who see themselves as the 'custodians' of professional standards (Kirkpatrick and Ackroyd 2003: 512).

Over time, and from all political angles, there were requests for changing the way governments steer public services and the restructuration of the welfare state seems to be inevitable. It was claimed that governments have become "(…) increasingly divorced from the people it serves and its dominated by the affluent, the educated, and the powerful" (Peters 2001: 15). These arguments led to a state legitimacy crisis, especially evident during the 1980s, under the idea that governments were not capable of doing anything right so they should do as little as possible. As Peters and Pierre (1998) explain, this loss of legitimacy lays, on the one hand, on the assumption that state actors are excessively clumsy, bureaucratic, and path dependent[24] and, on the other hand, due to the control of information and implementation structures by private actors, as the private sector is considered to be more effective (1998: 225). Indeed, it is quite interesting to understand how political legitimacy influences the state of governance. As Bovens, Hart and Peters (2001) declare, some of the perceived crises of governance in Western democracies are not crises in performance, but crises of judgment, especially noticeable after the moment the media became increasingly critical and the public opinion more demanding or more *watchful* (2001: 10). Thus, it seems relevant to understand whether the dissatisfactions with government performance, in our case with respect to HE policies, reflect a decrease in trust or a change in political styles and governance approaches.

This scenario paved the way for a wave of privatisations in developed countries, "sponsored" through a more political right vision. Such political movement against taxation, public spending and regulation imposed on private business found particular affection in the UK, where it was highly supported by Margaret Thatcher. Thatcherism was a New Right ideology style (therefore committed to the neoliberalism credo), strongly influenced by the work of Friedrich Hayek, and labelled as a socially conservative movement. The welfare state crisis was thus shaped and constructed through the ideological reference terms established by the New Right (Clarke and Newman 1997). The authors explain that by that time, there was the generalised idea that the welfare state has produced a generation of dependents – the *scroungers* (1997: 15) – who, instead of working, relied solely upon the state for support.

According to several authors (Clarke and Newman 1997; Peters 2001; Pollitt 2003), the criticism of traditional bureaucracy is that it does not provide sufficient incentive for individuals to perform their jobs as efficiently as they should. This situation paved the ground for Thatcher's political desire of shrinking the size and power of the public sector. Thatcherism strongly criticised

[24] According to Peters and Pierre (1998), "path-dependency refers to the range of policy choice available for administrative reformers; reform strategies are embedded in systems of norms and administrative practices and therefore reform strategies are shaped more by what already exists than by the desired model of public administration" (1998: 225). Chapter IV approaches deeper this process.

the professional cadres who had provided public services for a long time and were now inefficient and ineffective, being more concerned with their own needs than those of their service users (Osborne and McLaughlin 2002: 8). Furthermore, "Instead of neutrality, both the formal and informal rules of bureaucracies and the practices of professionalism were revealed as contributing to the production and reproduction of power and inequality" (1997: 11). In this way, under Thatcher's political and economic philosophy of reduced state intervention and the existence of free markets and more entrepreneurialism, laws which previously granted some privileges to unions were revoked by the government.

It is within this ideological context that professional bureaucratic organisations start to loose their legitimacy. For this, it much contributed the triangle of notions in which the welfare state rested: Family, Nation and Work (Clarke and Newman 1997: 3).

In addition to the environment of disbelief and distrust concerning welfare state actions and professionals, it could be observed "… the decline of stable organizations as the focus of government interventions as well as for the source of inputs into governing" (Peters 2001: 16). Peters explains that during the post war period, *corporatism* was one of the most effective means of addressing economic policy issues. However, as the unions represented by corporations started to loose power, they became less reliable in the 1970s and 1980s when they were no longer able to protect the professionals represented by them (Peters 2001: 16). Thus, faced with their loss of influence and workforce, and subsequently with difficulty in achieving consensual negotiations with the corporations' bargaining partners, the work and governing process of the unions became more challenging.

The rethinking and restructuring of the welfare state and its bureaucratic administrative support depended upon developments in knowledge and research from the 1930s (Olssen and Peters 2005: 316; Hood 1991). These included an increasing emphasis attributed to a set of economic theories integrated into the new economic institutionalism (the economic theory by Milton Friedman; the public choice theory developed by James Buchanan in 1996, and principal agent and cost-transaction theories explained by Oliver Williamson works) (Ferlie 1992: 82; Olssen and Peters 2005: 320). For the proponents of a more liberal economic regime, state intervention in society would be the main obstacle to economic growth and achievement of social efficiency. It was argued that it should not be the state to enforce certain behaviours; these should be rather induced by individual free choice provided by markets. The motto of neoliberalism was thus "less state and more market". Combined with this, the Keynesian model of economy regulation was pointed as one of the main responsible factors for the crisis that welfare states faced by that time. Inspired by a laissez-faire type of economy, Friedman (from the Chicago School) defended that inflation resulted from the increasing

money supply provided by central banks. He blamed high taxes and excessive regulation of economic activities as the main culprits for the rising inflation. Thus, a gradual decrease of state's interference concerning prices fixation and approval, combined with reduced taxes and privatisation of state companies, were the essential solutions presented by neoliberals to bring to an end the economic crisis (Pollitt 2003). In sum, and as Leftwich (1993) summarised it:

> "Emphasis on 'the market', deregulation, privatisation, supply-side economics and encouragement of individualism and the 'enterprise' culture were all part of the official Western theoretical and ideological profile of the 1980s. This was reflected too in both the language and forms of economic conditionality associated with the adjustment programmes world-wide" (1993: 605).

Leftwich (1993) explains that more than an economic theory, neoliberalism embraces political dimensions, which involve both normative and functionalist theories of politics and the state. With respect to its normative component, neoliberalism advocates economic and political freedom as essential conditions for a social welfare. Nevertheless, as referred by the author, this market-driven approach to economic and social policy may be seen as a radical ideology in some aspects, in the sense that it promotes a minimal intervention of the sate, even in ensuring individual rights. Neoliberals believe that "… political and social discrimination imposes constraints on the rights and liberties of individuals, interferes with freedom of choice, distorts the free play of markets and hence harms economic development" (Leftwich 1993: 608-609). At the functional level, neoliberalism establishes a link between economic growth and democracy, considering that democratic politics is fundamental for a thriving free market economy (*ibid*: 609).

It is interesting to notice that just as the *economic* ideology introduced by Keynes supported the development of the welfare state, all these economic ideologies and theories conferred intellectual coherence to the programme of reducing public services by restructuring the traditional model of public management (Carvalho 2009). Nevertheless, as referred by Leftwich (1993), these ideals are not completely new. They reflect upon aspects of the modernisation theory of the 1960s, which proclaimed that Western economic and political liberalism represented 'the good society itself' (1993: 605). This 'good society' should be based on 'good governance', which, in the days of the *New World Order*, implies a democratic capitalist regime, presided over by a minimal state (Leftwich 1993: 611).

Within the economic-political context, there is another factor intrinsically linked with neoliberalism and which also contributed to the crisis of the welfare state: globalisation – usually defined as the existence of a free worldwide trade. Indeed, discussions on neoliberalism appear frequently connected with the globalisation phenomenon. Olssen and Peters (2005) explain this link by stating that "(…) neoliberalism is a particular element of globalisation in that it constitutes the form through which domestic and global economic relations are structured" (2005: 313). In a more

apocalyptic accent, Vaira (2004) complements this idea by referring that "Neoliberalism is not only a political rhetoric, or ideology but a wide project to change the institutional structure of societies at a global level (2004: 487)". Indeed, due to modern technology, innovation and knowledge transformations circulate easily, assuming an increasing importance concerning the identification and action planning taken by governments in order to overcome situations of crisis. The role of ICT in the process of governance has been assuming such relevance that several authors point out to the emergence of a new governance model, a NPM successor. Dunleavy, Margetts, Baston, and Tinkler (2006) for example, denominated the reforms introduced by these technological advances in the organisation of public services as "digital-era governance" (DEG), to contrast with business processes of service's delivery. Thus, it seems undeniable that pressures for change also derived from the establishment of a global social and economic policy. In turn, it is argued that this contributes for the weakening power of the nation-states and consequently, for the adoption, almost instinctively, of national competitiveness measures able to improve efficiency and reduce public expenditure.

Associated with this cycle, and also related with the globalisation process, one finds an increasing importance attributed to international and supranational institutions and their role in defining macroeconomic policies. In fact, the HE sector, and more specifically Portugal and Finland, provide a good example of the prominent link between OECD and HE reforms.

Despite the relevance of economic and political contexts in the understanding of the scenario leading to the welfare state decline, there are other aspects that complement this picture. At the final stage, but not less important, it is relevant to mention that in terms of demographic and social changes that marked the turning point of a welfare state to a managerial state is the fact that societies controlled and regulated by governments have became less governable (Peters 2001; Kooiman 1993; 2003). This incapacity from governments to govern effectively their people results from several interrelated causes. Firstly, the increasing social and political heterogeneity among populations, not only has made it harder for the welfare state to rectify market-based inequalities, but it also allowed for increasing income inequalities in most industrialised societies (Peters 2001: 15). In addition to this, societies' ethnic and racial heterogeneity, which was much developed through immigration, contributed to social tensions. Moreover, the author states that the second cause for increasing difficulties in governance relates to the type of issues confronting contemporary governments, which "… have shifted from being bargainable to less bargainable" (2001: 15).

Looking at this scenario of social diversity, economic growth complexity and financial and employment problems, it seems clear that these issues have evolved in complexity and importance since the end of World War II until the end of the twentieth century. Therefore, these problems

became more difficult to solve in the 1990s by using the conflict resolution mechanisms created during the post-war conflicts (Peters 2001). Governments must work with different instruments, in order to achieve some harmony among several interest groups. As Peters (2001) puts it:

> "Governing in most industrialised democracies has become a process of bargaining and mediating rather than of applying rules (…). All of these changes make the role of civil service managers even more difficult than it had been and also make the role of civil servants within governments even more ambiguous" (2001: 8).

The combination of these contexts makes evident the inevitability of change and reconstruction of the welfare state (Ackroyd 1995; Pollitt 2003). Such transformations found support not only in economic issues, such as those related to the reduction of public spending and demands for more efficiency, but also in the ambition of changing mentalities and attitudes of professional organisations. As Clarke and Newman (1997) refer, the 'crisis of welfare' was necessarily a 'crisis of the organisational regime'. Or, viewed from an inverse perspective, one can say that the development of bureaucracy prompted its replacement. Again, the paradox of public organisations (Ackroyd 1995) lays in the fact that their efficiency constitutes the basis of their failure. In this sense, the conservative political ideology of the New Right seemed to be the new credo of the last three decades.

2.3 The Managerial State

The final stage of public services' development is considered to be the *plural state*, according to Osborne and McLaughlin (2002). Other authors, especially the Anglo-Saxon ones, use such terms as *managerialism*[25] (Reed 2002) and/or New Public Management (NPM) (Hood 1991) or even *entrepreneurial government* (Osborne and Gaebler 1992) to refer and to classify the changes which started to occur in the provision of public services from the 1980s. Indeed, the transformation of the public sector organisation has been strongly associated with *managerialism* and modernisation in several countries, although through different forms and nuances, according to the different governments implementing reforms. In addition to its "backbones" and origins, it is not easy to find

[25] It is not easy to find a consensual translation to Portuguese for the word *managerialism*, namely what term should be used in the higher education field. As similar to other authors, we consider *managerialismo* to be the most appropriate concept, instead of *gerencialismo*. Amaral et al. (2002); Santiago, Magalhães and Carvalho (2005); Carvalho (2009) refer that despite its direct translation, the term *managerialismo* is the word which best fits the complex dimension of the concept, allowing us to portray the overlap of management criteria to those criteria of governance polices, while simultaneously maintaining the dignity of the academic dimension of the word management (2009: 28). We faced a similar concern with respect to Finnish language. It can be said that there is no translation for the word in Finnish, thus, at least in academic terms, the term "managerialismi" is most used. A complementary view is offered by Becher and Trowler (2011: 11) who refer that there are several variants of managerialism (e.g. neo-Taylorism; the public service orientation; the public management approach; cultural approaches; competency approaches; 'new public management'; and 'new managerialism'). Also the sources of managerialism are multiple, add the authors, with mixed origins in New Right ideology, management theory and elsewhere.

overall agreement concerning the novelty and intensity of NPM. As Pollitt (2003) puts it, there are different views "(…) about whether it is a global phenomenon towards which most countries are converging or something localized to just a few states (…)" (2003: 26). Indeed, there is some evidence to believe that, *managerialism* as an ideology is not uniformly accepted (Amaral, Meek and Larsen 2003). Furthermore, and as it is being argued in this study, different cultures and contexts, as well as historical and social developments, result in different levels of acceptance (and rejection) of ideologies. More recently, Pollitt, Thiel and Homburg (2007) wrote:

> "It may be tempting to assume that, because of the similarity of antecedents of reforms (budget deficits, public distrust of public administration and so on), the actual implementation and manifestations of reforms are similar in various countries. Indeed, the label that has been given to these reforms – New Public Management or NPM – suggests commonality and uniformity. However, more detailed analyses show that underlying ideas and their implementation fluctuate enormously" (2007: 2).

Thus, through Pollitt and his colleagues' work, one is acknowledged with the fact that not all countries have adopted NPM in the same way, as not every country faces the same economic, social and political conditions. What seems to be consensual is the fact that NPM aims at reforming the *status quo* and the faults of the predecessor form of governance. In this sense, it is rooted on the general dissatisfaction with the traditional governance model, being thus a departure from the classic public administration paradigm (Hood 1991; Pollitt 2003; Pollitt et al. 2007).

The development of NPM ideals has been constructed during two different moments. The first stage is considered more ideological than pragmatic, constituted by a set of beliefs, based on the idea that better management represents the solution for economic and social problems. Pollitt et al. (2007) refer to this as "talk and rhetoric" phase. But from this rhetorical period, more realistic and concrete actions were then introduced and managerial reforms have actually taken place in the practice of public administration. This embodies the second wave of reforms, which is considered more pragmatic, and which led to a growing emphasis on performance measures and coordination mechanisms, namely an increasing prominence of the EU role and other international organisations such as the OECD and the WB (Metcalfe 2001; Pollitt 2003). Generally speaking, during these periods there was a replacement of the public service *ethos,* based on universalism, equity and security, by the business *ethos* characterised by individualism and efficiency. We will now look at the term *managerialism* as a heterogeneous set of management techniques and approaches used to describe the wave of public sector reforms throughout several governments since the 1980s, in order to understand how it has spread into HE systems and how it affected its further development.

Despite different degrees of imposition, there are some central principles or commonalities in management and public administration procedures which deserve further attention and which enable us to understand some reforms that happened in HE. Simultaneously and controversially,

NPM central characteristics also raise some inconsistencies and doubts concerning other aspects. Nevertheless, before going into this, distinctions need to be drawn between management – as a neutral technical activity – and *managerialism* as a set of ideologically based prescriptions on how an institution should operate (Meek 2003: 5). Furthermore, it is also important to refer that the term *managerialism*, or *new managerialism* as Reed (2002) puts it, is used more frequently to refer to management reforms within the HE field, namely the introduction of private sector management methods in this sector, whereas NPM refers to the same phenomenon with respect to the public sector (Maassen 2003: 33). Throughout this study, and by assuming that HE reforms, with all its specificities, should not be seen apart from a broader context, or isolated from the public sector, both terms are used interchangeably. It is likely however that the acronym NPM will appear more frequently due to its almost "universal use" and popularity.

2.4 The First Wave of Reforms: *Managerialism* as an Ideology

From the late 1970s onwards, the Conservative Party in the UK has highly criticised the welfare state, especially the professional cadres who had long provided public services (Osborne and McLaughlin 2002). Margaret Thatcher has had great success in stabilising the pound sterling, in boosting the British economy and in reducing the tax burden. In this way, the Conservative Party conquered a large parliamentary majority in the 1983 and 1987 elections, thus becoming the global icon of the neoliberal economic ideology[26].

In the UK, the focus of the conservative government laid mainly on a market ideology (privatisation of public services) as the solution to promote effective and efficient provision of public services, while simultaneously providing "… responsiveness to individual need and user choice in service provision" (Osborne and McLaughlin 2002: 9). Nevertheless, as stated by Osborne and McLaughlin, this movement towards marketisation was criticised by being more concerned with reduction of public expenditure than with effective improvement of public services' provision. This goes much in line with what Pollitt (2003) defined as the first transformation of the public sector into a more restricted and managed system, where management would be the central activity for the revival of national economies. A more *restricted* and *managed* system would be thus achieved through

[26] Nevertheless, according to Shephard (2003) these policies have sharply increased social inequality, unemployment and child poverty, leading to the situation that in 1990 the British preferred a New Labour government, chaired by Tony Blair, who was described as "neo-Thatchrite" by some, since many of his economic policies mimic those of Thatcher. Furthermore, though it is usually claimed that under Thatcher government the tax burden was reduced, Pollitt, Birchall and Putman (1998: 159) argue that the overall tax burden on individuals increased under the UK Conservative administrations of 1979-97.

what Hood (1991) and Rhodes (1996) call the first meaning of NPM, namely *managerialism*. This refers to "(…) hands on professional management, explicit standard and measures of performance; managing by results; value for money; and, more recently, closeness to the customer" (Rhodes 1996: 655). Managerialism was then the main trend in the UK before 1988 and it was seen as the solution for "bureaucratic rigidity and professional intransigence" (Reed 2002: 166) in the local government, health and social care and education.

It is quite difficult to provide all NPM characteristics in a clear and straightforward sentence, despite its numerous existent definitions. Furthermore, one needs to be careful when applying global concepts such as NPM, as this applies differently according to local practices, as observed later on when analysing Finnish and Portuguese HE reforms (chapters VI and VII). In addition, as Clarke and Newman (1997) state, the applicability of business approaches in different public sectors varies not only with the level (macro/micro) but also with the technical and political characteristics of the activity in question. Therefore, it is easier to describe NPM key elements, framing them within the context in question, and through what Pollitt called the 'voices of the practitioners' (2003: 26). As such, according to the work developed by the author (Pollitt 1993; Pollitt, et al. 1998; Pollitt et al. 2007), the core of the managerialist ideology is based on a set of beliefs, practices and values, which attest that the analytical methods used by managers to practice a better management are an effective solution for economic and social problems that organisations and the system itself face. In this sense, management appears as a separate and distinct organisational function, which plays an essential role in planning and measuring the necessary improvements in productivity, and where managers should have enough freedom to perform such crucial activity (Pollitt 1993: 2-3). As follows, management is thus an activity concerned with enhancing both efficiency and effectiveness, in the sense that it relates to the best combination between inputs and resources with the achievement of objectives, which simultaneously involves leading and controlling a group of people and/or entities. These objectives, as Pollitt (1993) refers, are clearly defined in the language of economics, stressing managerialist concepts as output and value for money, together with good management practices existent in the private sector. In this way, and after bureaucracy (considered an impediment to good management) being eliminated, it is possible to formulate clear objectives and have highly motivated staff. There is thus a special interest of the managers to promote a set of ideas and practices that promote the important contribution of management and therefore justifies managers' special role and power in the process of "saving" a nation-state economy (Pollitt 1993; Reed 2002).

Interestingly, as the author points out, this vision of managers being seen like heroes (and not heroines) that the managerialist ideology portrays, carries with it a certain type of sexual

discrimination, since it relates to a specific social group, namely managers (Pollitt 1993: 8). According to Pollitt (1993), the public management reform has served to strengthen the political power over the bureaucracy, since it freed public officials from bureaucratic constraints and restrictions, which prevented them from carrying out their activities in a more "political" way. Under the managerialist label, public servants were able to support their favourite politicians and subsequent programmes, e.g., public management reforms would make public servants more accountable to political leaders (Pollitt et al. 1998: 6). Simultaneously, as stated by the authors, civil servants would be more accountable to citizens who use public services. As the latest statements seem quite contradictory due to the "challenge" it presents: "how can public officials serve two masters, masters who are quite unlikely to have identical needs or preferences?" (1998: 153). Ackroyd (1995) explains this with the wishes of the state to increase its control over civil servants, particularly concerning budgetary decisions and constraints on the way they do their work. This was a typical situation in the first period of reforms. Consequently, this new way of managing society provided legitimacy to managers and politicians who were seen as "active people" because they were doing something (whether it was something good/positive or not, it did not really matter…). Indeed, the emergence of management as an essential activity for the effective development and improvement of public services provision is based on a certain idea of *novelty*, which contrasts with the older form of bureaucratic public administration. In the words of Dunleavy and Hood (1994) management represents a new way for the state steering its issues, occupying much of the same territory as traditional administration but differing in style and emphasis.

With respect to the progressive replacement of administration by management, Pollitt et al. (1998) distinguish both concepts by using Desmond Keeling (1972) definitions: while administration is "the review, in an area of public life, of law, its enforcement and revision; and decision-making on cases in that area is submitted to the public service", management, similar to what Maassen (2003) wrote, represents "the search for the best use of resources in pursuit of objectives subject to change" (Keeling 1972 *in* Pollitt et al. 1998: 13).

From the literature review on the topic (Pollitt 2003; Rhodes 1994; 1996; Clarke and Newman 1997; Osborne and McLaughlin 2002; Amaral et al. 2003; Santiago and Carvalho 2004), *managerialism* is frequently presented as a set of management tools designed to help managers in decision-making processes, rooted on a deep trust in the superiority of market ideology. The amount of techniques which *managerialism* is about to emphasise, namely the practice of management as a neutral activity, can be applied to any institutional context, providing that it presents the best solutions based on the flawless principles of the market. As such, and as referred by Pollitt and Bouckaert (2004), (new) public management reform appears as a means to *multiple* ends (2004: 6). In this sense, more than

the economic context, NPM represents a chosen ideological strategy, rather than an economically inevitable practice: "NPM has not been 'caused' so much as chosen" (Pollitt 1993: 36). Notwithstanding, despite NPM *global* dissemination, the adoption of the NPM "package" has been distinct according to the countries undergoing these reforms (Hood 1995; Pollitt 2003). Countries like New Zealand, Sweden and UK were considered the pioneers in the implementation of NPM ideology, whereas Canada, Norway and Finland, which launched its public management reform in 1989, took a more gradual path. At the opposite extreme of the pioneers, one finds Germany and Japan, which barely refused to adopt a managerialist ideology (Hood 1995; Pollitt 2003).

Together with managerialism, one will find what Rhodes (1996) called the second meaning for NPM: the *new institutional economics*, meaning this the introduction of incentive structures, such as market competition into public service provision. New institutional economics emphasises disaggregating bureaucracies; greater competition through contracting-out and quasi-markets[27]; and consumer choice. In sum, it was a set of techniques and assumptions of efficient organisational functioning, and which became more influential in the UK after 1988 (Rhodes 1996: 655). The introduction of economic incentive structures, as a result of the new institutional economics, is considered a symptom of the modernisation process of the public sector. This 'dynamic force for change' had many alternative and competitive terms, such as 'reform', 'transformation', 'reinvention', 'modernisation' and 'improvement' (Pollitt and Bouckaert 2004: 16), all with the same purpose: to convey the idea of management change. The focus should be thus in a model which minimises or attenuates differences between private-sector business management and the running of public services (Pollitt 1993: 27). As time went by, this model would be developed through specific social trends, more or less intense, which influenced governments to re-organise their performance. In other words, those immediate concerns with governments performance, such as reducing public expenditures, improving the quality and efficiency of public services provision, as well as its flexibility and innovation, increasing political control of bureaucrats, decentralisation of management authority and improving coordination (Pollitt et al. 2004) lays on five main movements which have been influencing the way governments organise their work: diversification, specialisation, incentives, confidence building and accountability (OECD 2004: 2). These trends are considered to belong to the second wave of governance reforms, characterised by a more rigid market discipline and entrepreneurial culture, seeing that in the first round, managerialism existed more as a narrative discourse (Reed 2002). Indeed, Pollitt (2003) assumes that this rhetoric character

[27] Dawson and Dargie (2002: 35) define quasi-markets as the situation where "new organizations were created and a split imposed between those (still public organisations) which were to commission or purchase public services and those (sometimes public and sometimes private organizations) which were to be contracted to provide the services".

of the *initial* managerialism, with simple and promising ideas (therefore easily diffused and accepted), was an essential condition for the adoption of the ideology, even in countries that did not follow similar political convictions.

2.5 The Second Wave of Reforms: from Ideology to Pragmatism

It seems clear now that throughout most of the 20th century, whether under the managerialist ideology or "welfarism" (Pollitt 1993: 11) practices, national governance arrangements have been heavily criticised, leading to reform processes. These were initially driven by an ideological rationale, and later by more pragmatic motives:

> "The managerialism of the 1980s and 1990s is therefore not simply a set of broad assumptions about the unique potentials and rights of management. It is also a much more specific set of models of efficient organizational functioning and of techniques through which such smooth functioning may be realized" (Pollitt 1993: 11).

Apart from these "ideal" management models, it is also important to remember that faced with the escalating costs of the welfare state in a period of economic stagnation, governments found themselves in a defensive position, where they had to explain and justify to the public opinion whether tax payers' money was being spent effectively and efficiently (Bovens, et al. 2001: 8). This distinction of periods, between theory and practice, lays on the general agreement that the rise of Conservative governments, both in the UK and in the US, in the beginning of the 1980s, provided the managerialism concept with a stronger connotation (Newman 2002; Reed et al. 2002). Therefore, these authors (among others) consider this wave of reforms as a maturation period of the initial ideologies, naming it new-managerialism. Indeed, it is this stage of reforms, which is now more consolidated (at least at the doctrinal level), that allowed for the "use and abuse" of the expression 'NPM', at least in Europe, and 'reinventing government' in the US (Bovens et al. 2001; Reed et al. 2002). In the words of Reed et al. (2002: xxiii), NPM is new-managerialism's operational and pragmatic face, which entails "… a shared cultural re-orientation and structural redesign that inexorably drives in the direction of commodification, rationalization and control" (2002: xxiii). Thus, we share Carvalho's (2009) view, who refers that NPM may be considered as a manifestation of the managerialist ideology within the field of public institutions, as it is this set of ideas (combined with the historical and cultural contexts previously explained) that serves as a legitimating basis and simultaneously as an instrument for redefining public policies and restructuring bureaucratic organisations (2009).

Hood (1991; 1995) describes – in what can be considered now as classical studies – the impact of NPM in public organisations according to seven dimensions of change, which go much in line

with the five main trends identified above (diversification, specialisation, incentives, confidence building and accountability), as can be seen in the following table.

Table 1 - Doctrinal Components of NPM

Doctrines/Change Trends in Public Organisations	Typical Justification
1. *'Hands-on professional management'* in the public sector	Accountability requires clear assignment of responsibility for action not diffusion of power.
2. *Explicit standards and measures of performance*	Accountability requires clear statement of goals; efficiency requires 'hard look' at objectives.
3. Greater emphasis on *output controls*	Need to stress *results* rather than *procedures*.
4. Shift to *disaggregation* of units in the public sector	Need to create 'manageable' units, separate *provision* and *production* interests, gain efficiency advantages of use of contract or franchise arrangements *inside* as well as outside the public sector.
5. Shift to greater *competition* in public sector	*Rivalry* as the key to lower costs and better standards.
6. *Stress on private-sector styles of management practice*	Need to use 'proven' private sector management tools in the public sector.
7. Stress on greater *discipline* and *parsimony* in resource use	Need to check resource demands of public sector and 'do more with less'.

Source: Adapted from Hood (1991: 4).

More than one decade later, the work of Pollitt et al. (2007: 4-5) does not differ much from these main dimensions of change. Hood (1991), as well as Pollitt et al. (2007) also draw the reader's attention to the fact that not all these dimensions of change existed in the same way across nations, not even when they were "fully consistent, partly because they do not have a single intellectual provenance" (1991: 4). Some of these trends and their specificities will be analysed here.

Doctrines two and three, namely the move towards measuring, explicit clear goals and controlling output, are believed to increase the tendency towards organisational diversity (OECD 2004). This would happen based on the assumption that, as long as outputs could be controlled and quantitatively measured, the type of organisations carrying their production would be less important, leading to increasing diversification of public organisations. Nevertheless, as Dawson and Dargie (2002) mention, with respect to the case of the health sector in UK, there is also an expansion and diversification of NPM mechanisms, e.g. greater emphasis on developing protocols and guidelines in order to raise awareness about performance in public services management. Pollitt et al. (2007) explain this shift towards more measurement and quantification in the form of systems of performance indicators and/or explicit standards with the following example: "Instead of just

'trusting the doctor', measures are developed that show how often the doctor prescribes drugs, how often patients develop post-operative complications, the length of waiting lists and the degree of compliance with the best practice protocols, and so on" (2007: 5). As such, diversification and performance orientation are intimately linked with accountability and therefore with incentives as well as specialisation. The diversity of public organisations and instruments that were subsequently developed to "control" the way these public organisations manage their services provision tends to incite civil servants to improve and specialise their performance, once they feel pressured by accountability measures and, simultaneously feel rewarded by their "good performance". Accountability became a recurrent word in public organisations' activities, combined with regulation, ethics and democracy, as Dawson and Dargie state:

> "To summarize general shifts in the discussion of NPM over the last decade or so, we can note that whereas NPM was originally conceptually defined in terms of managerialism and rational choice subsequent debates included discussions of ethics, accountability, democracy, regulation and the intrinsic nature of the public sector" (Dawson and Dargie 2002: 41).

The emphasis on accountability obviously implies a shift in the way governments organise their public services, creating subsequently organisational change, not only in terms of work organisation and performance, but also in terms of values and beliefs, as it was observed when carrying out the empirical part of this study. There is a growing tendency to reward people's behaviour and their responsibility according to different types of incentives (OECD 2004). At this stage of NPM development, also resource allocation is determined according to performance, namely whether the goals and targets defined were *in facto* and effectively achieved (Hood 1991) and policies successfully implemented. As Denhardt and Denhardt (2000) put it: "Accountability isn't simple: public servants should be attentive not only to the market but also to statutory and constitutional law, community values, political norms, professional standards and citizen interests" (2000: 555). In the Old-Time Religion period, professional cadres were not formally accountable for the quality of services provided; they were only directly responsible to political officials, as quantitative output measures were not (yet) believed to be the best way to capture professionals' performance. Furthermore, in terms of political accountability, it tended to be "less necessary", once that the importance attributed to consumer responsiveness tended to obscure the need for broad strategies and patterns of provision (Pollitt et al. 1998). Moreover, according to McLaughlin et al. (2002: 119) accountability is considered more inefficient than what actually promises, once that undermines flexibility. Denhardt and Denhardt (2000) refer that in old public administration times, accountability was not really an issue, considering that politicians were expected to make decisions while bureaucrats would carry them out.

Another significant change introduced by NPM was the replacement of coordination forms based on hierarchy by coordination based on market or quasi-market mechanisms (Hood 1991; Bovens et al. 2001; Reed 2002; McLaughlin, Osborne and Ferlie 2002), under the assumption that the introduction of these mechanisms in the public sector represents the best way to increase efficiency, while reducing costs and a more equitable redistribution of resources is achieved, increasing thus social welfare. Under the market ideology, the relationship between public organisations and their "customers" is seen as based on self-interest, involving similar operations to those occurring in the marketplace (Denhardt and Denhardt 2000: 550), with the exception that these services should remain free to its users. Nevertheless, the integration of market-oriented ideas in the organisation of the public sector has always been a contentious issue, raising several debates. Among others, Ferlie and Fitzgerald (2002) point to the "old criticisms from the Left" about markets overemphasis on efficiency and lack of attention with democratic accountability and legitimation issues. In addition, such overemphasis by the political right with respect to the need of a radical change, "the tyranny of transformation" (Clarke and Newman 2000: 34) in order to promote the national economic and social revival, implies changing the interpretations and attitudes towards "culture", once it is presented as something to be managed (2000: 36). Furthermore, NPM strategies and mechanisms should not be (and they were not) applied in the same way to all public service sectors, since all of them have specific characteristics, as it is the case of HE (Reed 2002: 175).

The use of market mechanisms and accountability procedures as a means to increase public-service efficiency incites the promotion of competition in the provision of public services (Hood 1991; Ferlie 1992). Indeed, competition is one of the NPM central features, once that, as Peters and Pierre (1998) explain, without competition there is little point in changing the managerial styles in the public sector. In this sense, it was aimed at transcending the divide and having the best of both worlds: a democratically accountable public sector that was, at the same time, subject to the rigour of the market (Bovens et al. 2001: 8). Thus, such as a looping process, the set of market mechanisms and competition also impact the human resource practices of public institutions, resembling them to the *modus operandi* of the private sector. Nevertheless, as Pollitt (2003) remembers, though competition is presented as a magic wand, "… there would still remain important goods or services where competitive private sector provision would be hard to put in place. This is one of the reasons why such 'public goods' have very often and in many countries been provided by public authorities rather than the market sector" (2003: 14). Nevertheless, through the creation of internal markets, competition within the public sector has the advantage of easily and accurately assessing the real costs of each unit within public organisations. When compared to traditional organisational models, competition also provides meaningful bases for comparison (Peters and Pierre 1998). On the other

hand, however, by changing intra-organisational behaviour, the authors explain that the creation of internal markets can develop new potential sources of resource waste, provided that these type of markets induce organisations to oversupply services, since demand is defined not by the customer but by the supplier, as it is the case of the medical care sector (Peters and Pierre 1998: 5).

The shift towards private-sector practices of human resources management is, at the present, one of the main challenges for those HEIs which decided to change their legal framework, as the case of Finland and Portugal. In this context, the state ceases to hold the monopoly of public services' provision (Osborne and McLaughlin 2002) and public institutions are thus managed according to private sector rules. It might also happen that the state also delegates its functions to other organisations (private or voluntary entities) (Dawson and Dergie 2002: 35), though this is not so common in HE, at least in these countries.

The situation of delegation of state powers, more than competition, leads to the existence of quasi-markets (or internal markets), where contractual mechanisms are an essential component in the governance of public services' provision (Carroll and Steane 2002: 196). Although government regulation and financing will still remain important coordination mechanisms, elements of competition, user charges, individual responsibilities and freedom of choice are now important elements in the governance process (Teixeira et al. 2004). Nevertheless, as Carroll and Steane (2002) highlight, competition between organisational providers might occur when traditional public services do not effectively control costs, do not improve their quality, and fail in meeting the standards of the services expected by its users. Indeed, the introduction of quasi-markets, a notion that derives intellectually from economics (Ferlie 1992; Teixeira 2006), clearly aims at promoting market competition in the public sector. In these quasi-market situations, the efficient, cost-controlling and high quality organisations tend to easily succeed, contrary to their poor performance counterparts (2002: 36). Adopting the definition of Le Grand and Bartlett (1993) at the London School of Economics, David Dill (2007) explains that

> "Internal or quasi-markets differ from private markets in that they are introduced into existing publicly funded systems. Quasi-markets do not evolve naturally from existing factors of supply and demand, but are created by government to overcome the perceived imperfections of state monopoly or bureaucracy, particularly the problems of efficiency, choice, and responsiveness. Quasi-markets encourage competition among monopoly state providers by decentralising demand and supply" (2007: 51-52).

In a similar view, and referring to the HE context, Pedro Teixeira (2006: 14) clarifies that HE markets differ from traditional markets "… in that they are publicly funded "quasi-markets", introduced into existing state systems of HE in order to increase efficiency and responsiveness" and also the potential to improve students' (consumer) choice. Teixeira et al. (2004: 3) explain that the introduction of quasi-markets in HE is a combination of three main aspects, namely: the promotion

of competition between HE providers, the privatisation of HE – either by the emergence of private HEIs or by means of 'privatisation' of certain aspects of public institutions and by the promotion of economic autonomy of HEIs, enhancing their responsiveness and articulation to the supply and demand of factors and products. Thus, at least in the HE sector, there is a complex interaction between market elements and the regulatory power of government (Teixeira et al. 2004). Nevertheless, because HE is a non-tangible good or service, and above all, it is considered a "public good", the adoption of (quasi) market forces in this sector as a steering mechanism (or tool) creates controversy. Such aspects as imperfect information on academic and institutional quality[28] (insufficient information about the quality of institutions and/or programs hinders the full awareness of students to choose what they believe to be the best option for them), the existence of tuition fees as well as private HEIs have been object of discussions and reflections. On one hand, as explained by Teixeira et al. (2004), the massification of the sector highly increased public expenditure, made it increasingly difficult for the government to bear the full costs of HE. At the same time, and as a consequence of this factor, it has been argued that students are the main beneficiaries of a HE degree and therefore they should largely contribute for its costs. Furthermore, as Teixeira (2006: 15) mentions, from the late sixties onwards, there have been significant discussions on the possible regressive effects of low or non-existent tuition fees as direct charging is a way of making students (and their families) aware that HE leads to a private benefit. Nevertheless, on the other hand, because HEIs "(…) provide non-priced social benefits in addition to the private benefits for which individuals or organisations will pay, it is in the interest of the state to subsidise higher education in order to maximise social welfare" (2006: 14-15).

This increasing emphasis on competition through contracting-out and quasi-markets is one of the most visible characteristics of the *new institutional economics* period, contributing also for the development of several economic theories, as the principal agent theory. Indeed, as Olssen and Peters (2005) explain, by applying private sector or quasi-market techniques in management of public sector organisations, NPM replaced the public service conventions about the 'common good' or 'public interest' with a new set of contractualist norms and rules, which are thereafter conceived as 'principal/agent relationships' (2005: 324). The principal-agent model emerged as an attempt to *replace* (or to complete) the neoclassical theories of perfect competition which consider thar information is freely available, by a model which assumes that information is imperfect and used

[28] Referring to the UK example (although this can be generalised to other European higher education systems), Dill (2007) explains that in a "competitive market", academic prestige is based primarily upon research performance, faculty reputation, as well as financial and student inputs. As one might expect, when students enrol for their first year, for the first time in any HEI, they probably are not fully aware of where this "academic prestige" is based/lays.

the concept of transactions costs[29] to analyse the efforts expended by market actors, previously assumed to be costless (Kassim and Menon 2002). These authors explain that the principal-agent model has become the dominant framework for examining the generic difficulties that arise in any setting of contractual relationship, e.g. problems of compliance and control in the division of labour between work relationships. The theory was initially developed in relation to business firms, but it then developed and extended to public sector work relationships as a means of exacting the accountability and performance of employees where market incentives and sanctions did not operate (Olssen and Peters 2005: 320). In the light of the principal-agent model work relationships are hierarchical and move through chains of authority and command according to levels of power within the management hierarchy. In this way, "a single person will be principal to those further down the chain of command and agent to those further up" (*ibid*: 320). Agency relationships are thus created when one party, the *principal*, enters into a contractual agreement with a second party, the *agent*, and delegates to the later responsibility for carrying out functions on the principal's behalf, in return for some specified sanction or reward (Kassim and Menon 2002: 2). As such, it is a model concerned with how to extract compliance from a voluntary exchange relationship based on dependency (Olssen and Peters 2005). Contractual mechanisms[30] for the governance of provision have thus become a central feature in public management, especially during the new managerialism or NPM period. It is in fact argued that within quasi markets there has been an important move from management by hierarchy to management by contracts, or as Dill (2007) puts it, the modernisation process of the public sector has sometimes been seen in terms of a shift from status to contract.

These contractual mechanisms are opposed to "partnership" forms of coordination, in which governments make attempts to learn from developments arising within the public sector, by consulting and exchanging ideas with people working in public organisations. As such, decisions and policy design are taken through communication and persuasion rather than the exercise of direct control (Newman 2002: 82-83). In turn, contractual mechanisms represent the principal-agent theory, in which, theoretically, local managers are the agents who exercise tight control within organisations in order to ensure the delivery of central government goals and targets (the principal). Nevertheless, as can be seen by the public-private partnerships (PPPs) example, not always the

[29] Olssen and Peters (2005: 320-321) explain that the Transaction Cost Economics theory (TCE), as a neoliberal theory, is used to evaluate the efficiency of alternative governance structures or sets of institutional arrangements for various kinds of transactions, especially those generated by the market and it seeks to explain why certain types of organisational forms, e.g. mergers, may be preferred to a pure market form.

[30] The Council of Europe generally defines contractual staff as "… rule employed on private-law contracts, which may or may not be fixed-term, for the performance of duties which cannot be assigned to established civil servants because there is nobody of established civil servants able to assure them, or for the performance of duties for which there is a permanent demand but which involve part-time working" (Council of Europe 1999: 20).

principal-agent theory works like that. Frequently, at least in Portugal, the government assumes the role of the agent.

In the awake of NPM, contracts become thus a crucial element in defining individual performance measures, which are characterised by pre-defined objectives, usually based on quantitative criteria (Hood 1991). This, explains Newman (2002: 83), is strongly associated with the British Labour's government attempt to ensure that electoral promises (services) are *in facto* delivered. Also pointing to the UK, however referring to HE, Reed (2002) argues that NPM promoted "(…) the deconstruction of integrated bureaucratic hierarchies into dispersed networks of 'purchasers' and 'providers'" (2002: 166), where regulated market exchange was the current practice, combined with detailed performance criteria, in order to ensure that overall resources and policies would be effectively and efficiently achieved. Nevertheless, it is important to mention that contractual management may not be directly linked with NPM developments, as the French example shows. Schedler and Proeller (2002) refer that at the local level, the use of contracts has a long tradition in France, when the local authorities had to provide services without having the organisation and resources to do so on by their own means. "Even though the contracts gained some managerial aspects recently, they are highly political instruments. Preferences for local providers, party influence and other political variables are still main features in the contractual provision of public services in France" (2002: 170).

Another common feature of NPM identified by Hood (1991) and Pollitt et al. (1998) is the importance attributed to *disaggregation* and *decentralisation* of units in the public sector. As can be seen in Hood's table (1991), the rationale behind the breaking up of "monolithic units" lays on the need to create "manageable" and flexible units as well as to enhance flexibility, responsiveness and tailor-made solutions (Pollitt et al. 2007). While profiting from efficiency advantages of using contractual mechanisms "… *inside* as well as outside the public sector" (1991: 4), and less hierarchical structures, the division between provision and production interests would provide more personalised services, targeted to local and individual needs, and which would be delivered faster. Both at rhetoric and pragmatic levels, the combination of market and contractual mechanisms, accountability and decentralisation are presented as a kind of "magic recipe" for the reorganisation of the cumbersome public administration. Nevertheless, following the recipe may be more complex that apparently seems, and again, the rhetoric hardly applies to the practice. As Pollitt et al. (1998; 2007) explain, decentralisation demands that managers became more accountable for their work and decisions, which in turn implies a loss in their autonomy. Furthermore, too much emphasis on decentralisation does not allow for sufficient coordination in the public sector, creating excessive fragmentation (Peters and Savoie 1996; Olsen 2007). Cheung (2002) argues that decentralisation and downsizing

involves political risks in terms of weakening state capacity. Moreover, it creates "…provincial 'feudal lords' that might accumulate enough economic and political resources to defy central policies" (2002: 265). These political tensions led governments to dedicate efforts to search better-integrated systems of governance with stronger coordination capacity (Olsen 2007: 18). As the author argues, these concerns belong to a "second generation" of post-NPM reforms, which have changed the focus to the need for a "re-centralisation" of resources and power (2007: 18).

It is worth to refer that the research literature on NPM implementation indicates that, despite the organisational changes happening in public administration, it does not seem completely accurate to look at NPM as the new management paradigm operating at an international level. What is empirically proved and visible is the "combination and recombination of 'the old' and 'the new' within what we might call 'soft bureaucracy' (…)" (Reed 2002: 170), meaning this the existence of hybridisation processes, combining elements of the old bureaucracy with new *managerialism* practices. Institutions tend to adopt only some NPM ingredients, and do not completely abolish the old organisation models. As a matter of fact, within the HE sector, the implementation of the *managerialist* discourse assumes the form of *hybrid* models – "(…) of institutional structures, organisational forms, control technologies, occupational cultures and work identities" (Reed 2002: 170).

An example of micro-management control technologies was the introduction of research assessment exercises in the UK in order that academics increase their research productivity without compromising their institutional performance. This is one of the distinguishing factors of the HE sector, when compared to other public sectors. Indeed, universities are becoming more and more like hybrid institutions, combining their public mission with commercial activities (Jongbloed 2004).

It is at this stage of NPM "maturity" that the role of the State is redefined, assuming governance as its main function. Although they refer to the UK administrative system, we take Rhodes (1996; 1997); Bovens et al. (2001); Osborne and McLaughlin (2002); Olsen (2007) view, among others, who consider that NPM belongs to a broader context, in which there is a shift from government to governance, where the state is "hollowing out" its initial model of control and rational planning (Van Vught 1989) to assume a model in which the state is able to steer itself, through the aforementioned mechanisms, where monitoring and feedback are essential aspects of it (Gornitzka 1999). This shift reinforces the position that it is not just the state the only entity that rules, there is a redistribution of powers and functions. In turn, Pollitt (2003) assumes that the impact of changes in the ways in which public services were provided has obscured the borderline between public and private, leading to what some called the "end of big government" due to the reduction of the government capacity for strategic steering (2003: 19). Notwithstanding, it is important to remember

that what happens at this stage of reforms does not mean that there is a withdrawal of the state from its traditional role, but rather a redefinition of its functions. Indeed, it is argued that those countries that started their NPM reforms earlier, and produced results that dashed its citizens' expectations, are now claiming for a more governmental intervention in the management of public policies. Furthermore, one needs to understand what has been changing beyond the institutional and national spheres, e.g., one needs to consider other "external" factors, which contribute for the way governments reorganise their intervention in societies. Rhodes (1997) refers to the emergence of privatisation, globalisation, the increasing prominence of EU institutions and alternative systems of delivering public services as the main factors which demanded a reconstruction of the State. And, in order for this reconstruction to succeed and to gain legitimacy, Pollitt (2003) explains that the public sector needs to visibly practice some "forgotten" values, such as universalism, equity, impartiality, security and resilience "… which are not central to the commercial marketplace, even if they are sometimes found there" (2003: 24). In the next section we will explore how this shift from government to governance has been impacting the HE sector.

2.6 From Government to Governance – the Evaluative State: broad trends affecting HE

As major public institutions that compose subsystems of the state, universities and polytechnics are strongly affected by the nature of the state (Kogan and Hanney 2000). Therefore, it is not surprising that since the mid-1980s, within a context of confidence decline in the objectives and mission of HE, (reforming) the relationship between the state and this sector has been a constant item on the political agenda of most OECD countries (Maassen 2003: 31). This need for changing HE arises amidst a broader context, the *tyranny of transformation*, eager to change the whole public sector, and which legitimated the process of state restructuring (Clarke and Newman 2000).

For the most of the post-1945, in most Western Europe, HE was considered an area of public activity, which did not draw much attention and/or interest towards its policy developments (Kogan and Hanney 2000). Nevertheless, during the last three decades, this sector is considered to be under pressure to change mainly due to general beliefs of its paramount contribution to social and economic advancement of nation-states. Naturally, governments have tried to change their *modus operandi* to respond to new priorities in a changing society, or to improve the existing ones. In this sense, and as corroborated by the sociologist Esping-Andersen (2003), the results of policy reports on the value of (higher) education were quite similar everywhere: "(…) the expansion of mass education as the vehicle for equal opportunities and an end to inherited privilege; income maintenance as a means to equalize living conditions and eliminate social risks across the life cycle"

(2003: 1). But how did different governments realise these assumptions? What drives their increasing concern with HE? Which factors/pressures brought about change in the way in which HEIs are governed and managed? And which global changes led HE to gain increasing prominence nearly everywhere? In sum, what has changed in the past three decades in European HE, particularly in Portugal and in Finland?

As referred in the beginning of this dissertation, the economic and societal contexts described above impacted HE, though the relationship between economy and HE development is quite complex to be empirically tracked (Scott 1995). There are some aspects that need to be considered in this analysis.

Clarke and Newman (2000) explain that the development of a global economy has promoted change, not only in terms of organisational management, but also at the state level, considering that the establishment of a global economic policy allowed for some loss of autonomy of nation-states. Consequently governments perceived the need to competitively position themselves in this global economy (2000: 46). Indeed, some of the strains that national governments face have been the result of the increased importance of the international environment and of a substantially diminished capacity of those governments to insulate their economies and societies from global pressures (Peters and Pierre 1998). With respect to changes occurring at the organisational level, the effects of globalisation combined with managerialist discourses result in an increase of institutional isomorphism (cf. chapter IV). This is so because since the moment organisations are not immune to the effects of a global economy, it is assumed they will have to adopt similar strategies in order to remain competitive in an increasingly globalised environment (Clarke and Newman 2000). Additionally, Kogan and Hanney (2000: 13) state that these pressures for change, which were confronted by, and combined with the ideologies, beliefs and prejudices that constituted Thatcherism, created particular tensions when applied to HE, especially those measures demanding more efficiency and accountability.

Not only in the UK, but also in diverse forms across Western democracies, there is the general assumption that national governments appear to have grown in size and costs without clear evidence of correspondingly large gains in productivity or effectiveness. In this way, a neo-liberal rhetoric about the wishes of limiting the role of the state emerged, though this was not consistent with the previous conservative movement (Kogan and Hanney 2000: 24). Moreover, in the late 1990s, it was believed that the neo-liberal ideology hampered the UK (as well as other pioneering countries in implementing NPM reforms) to economically survive to global competition. Ironically, "the New Right has continually positioned itself throughout the 1980s and 1990s on the side of the people 'against the state' even though it has been in government throughout that period" (Clarke and

Newman 2000: 16). Such ideological and pragmatic developments in the way governments deal with their public services naturally affect the governance and management of HE. Meek (2003: 4) states that the 'privatisation' of public HE and the introduction of concepts of market steering represent major trends affecting HE governance, once it implies a redefinition of the basic ideological principles behind the traditional relationship between HE and the state on the one hand, and HE and society on the other. Such redefinitions are also explained by divergent opinions on the traditional conception of governing which arise from changes in the relationship between government and the private sector. On one hand, there is a common argument that "the power of national states to govern has been 'hollowed out' gradually (…)" and that "… other forms of 'governance without government' appear to take for granted that governments have lost their ability to act more or less autonomously" (Bovens et al. 2001: 11), due to the appropriation of power by supranational institutions, such as the EU (Rhodes 1996, 1997; Clarke and Newman 1997; Peters and Pierre 1998; Peters 2001; Metcalfe 2001). As such, in all descriptions of changing patterns of government, this idea that the government is weakened and incapable of steering as it had in the past, is becoming the dominant pattern of management for advanced industrial democracies (Peters and Pierre 1998).

With respect to HE, these changes in the archetypes of institutional governance relate with two broad and distinctive pressures to change the way HEIs are organised, namely the European/Continental model and the Anglo-Saxon model (Meek 2003: 3). In this way, European universities went through a model in which they were dependent on government funding and where the state controlled only managerial matters (a combination of guild arrangements and state bureaucracy) to an archetype where the government is increasingly stepping back from its direct control, obliging HEIs to adopt management expertise techniques. Although it can sound controversial, these changes can be seen as strengthening institutional autonomy (Meek 2003).

Using Clark's triangle of coordination (1983) as an analytical tool, one can observe a redistribution of functions between centre and periphery, in terms of the location of governance (Maassen 2003). In this way, from the mid-1980s, the transfer of authority, responsibility, and accountability can be analysed in three different directions:

> "(...) vertical shifts can be observed from national to supranational public bodies such as the European Union, or from national to regional authorities, (...). Horizontally, shifts have taken place from public to semi public or private forms of governance, (...). An example of a mixed horizontal-vertical shift is the rise of international semi-public or private accreditation agencies..." (Cloete et al. 2005: 208-209).

Indeed, using Neave's (1998) conceptualisation, several authors (Kogan and Hanney 2000; de Boer and Goedegebuure 2003; Gornitzka, Kyvik, and Stensaker 2005; Santiago, Magalhães and Carvalho 2005) refer to the late 1980s and 1990s period as the 'rise of the Evaluative State', where

> "(...) functions that previously were vested in government, are assigned to the individual institutions. The Evaluative State is linked to lump sum budgeting, contractual financing, greater margins of discretion in internal budget allocation within the university, the increasing importance of staff productivity and the means of verifying it, and the assignment of responsibility for 'strategic development' to institutional leadership and its supporting management" (de Boer and Goedegebuure 2003: 211).

Nevertheless, as Neave (1998) explains, one needs to consider the origins of the Evaluative State to understand these measures as a conjectural response to a series of difficulties that HE policy faced by that time. Thus, explains the author, by accepting a technical interpretation of the origins of the Evaluative State as a "response to government demands for 'greater quality institutional efficiency, and enterprise' and the introduction of the market as the supreme regulating principle of HE" (1998: 268) one should understand that the Evaluative State emerged in a moment when decisions can no longer be fobbed off (…)" (*ibid*: 268). As such, the Evaluative State can be seen as a NPM "branch" considering that it aimed at reducing part of the state intervention in the regulation of HE, while encouraging institutions to be more entrepreneurial, and simultaneously more accountable and more "surveillant". This conception of the state role in HE governance does not mean a reduction of its importance, but rather a "spurring" to the use of market mechanisms in the governance of the sector. As Neave (1998) remembered, it represents a shift from a 'traditional' form of 'State control' to a more remote, semi hands-off nexus between university and central authority (1998: 170). In this sense, it is said that this period of governance signals one of the most remarkable changes in the history of HE policy, namely the shift from 'input control' to 'output control' "… with its related expectations as regards efficiency and effectiveness in mass higher education" (Enders and van Vught 2007: 24).

At the present, it is now possible to evidence that this steering approach to HE poses fundamental changes to the nature and status of the academic profession (Meek 2003; Carvalho and Santiago 2004).

It is now acknowledged that no longer are governments the sole actors involved in the process of steering societies. They remain a central actor in governing but, as can be read in governance literature, they must bargain and cooperate with both international and private sector worlds. These governmental actors, members of its relevant networks, play now a relative equal role in the bargaining processes, having the power to appeal decisions when these do not meet their expectations. As such, it is important to remember the distinction between the terminologies used here. When the government has sufficient know-how and power to govern and depends upon the legal authority as the principal instrument for steering (Bovens et al. 2001: 12), we refer to the process of govern*ing*. Nevertheless, in the long run, when the knowledge accumulated by the state starts to be insufficient, or there is a lack of legitimacy or even complex policy processes (Rhodes 1996),

hampering governments to successfully control the subsectors which operate within its own sector, we refer to the process of govern*ance*. The author quotes Kooiman, who easily distinguishes "… between the process of governing (or goal-directed interventions) and governance, which is the result (or the total effects) of social-political-administrative interventions and interactions" (Rhodes 1996: 657). Another distinction which illustrates the development of this separation is provided by Magalhães and Amaral (2008), who argue:

> "Governing as political steering acquires its legitimacy directly from democratic procedures, ultimately from the election of people's representatives. It is from the realm of 'polity' that the power to allocate resources to attain certain goals derives its legitimacy. Governance, in turn, represents the management of this allocation at the various levels, its implementation and evaluation. It develops within the realm of 'policies' under the aegis of government rule"

The HE sector is a good example of this situation. Faced with a multitude of different types of institutions and organisations, the state cannot cope alone with so many pressures, which arise from several directions and several actors, being thus obliged to decentralise and delegate powers to others with higher expertise. In fact, over the last fifteen to twenty years, governments have delegated much of their authority to HEIs (Van Vught 1989; Neave and Van Vught 1991). In this sense, we believe that the state does not lose power, not even becomes totally impotent because it assumes the self-regulation model, knowing that with other partners "help", it is able to govern society. As Peters and Pierre (1998) put it, the state loses the capacity for direct control and replaces that faculty with a capacity for influence. In the context of HE governance, this, as mentioned above, is considered to be the state supervising model (Goedegebuure et al. 1994) – the Evaluative State (Neave 1998) – in which "… the government predominantly is an actor who watches the rules of the game played by relative autonomous players and who changes the rules when the game no longer is able to lead to satisfactory results" (Gornitzka 1999: 23). Undoubtedly, the enhancement of NPM within public organisations in developed countries (and a high support of international organisations, namely the OECD) contributed much to this shift in the paradigm of governance to happen. However, we share Pollit's (2003) opinion that, despite the durability and heterogeneity of *managerialist* characteristics, NPM should not be classified as a universal management revolution, especially when one speaks about such different countries like Portugal and Finland. Furthermore, as Meek (2003) advises, we do not want to think or feel tempted to assume that the language used here to discuss these processes has the same meaning in different HE contexts.

That being said, it is also worth to refer that in order to achieve coordination among different levels, actors and types of organisations, partnership and networking became extremely fashionable in most Western countries, namely those involved in the Bologna process signature, and within the EC. This brings us to what Rhodes (1996) called *governance as self-organising networks*, where inter-

organisational linkages characterise service delivery. Briefly, a network refers to several interdependent actors involved in delivering services (*ibid*).

> "These networks are made up of organisations which need to exchange resources (for example, money, information, expertise) to achieve their objectives, to maximise their influence over outcomes, and to avoid to becoming dependent on other players in the game. (…) Governance is about managing networks" (Rhodes 1996: 658).

As can be seen, dependence and competition relationships between governments, HEIs and the environment surrounding them, are important and constant factors in HE policy formulation. Briefly, the interaction between HEIs and their environment is easier to understand in the light of the resource dependence theory (Pfeffer and Salancik 1978), which shares with open systems theory the idea that organisations are flexible and perceived as reactive. This interaction happens in a reciprocal way: not only are organisations dependent on the environment where they operate but they also relate with it actively, manipulating the environment for their own benefit. Thus, instead of assuming a passive position towards environmental constraints, organisation leaders must take strategic decisions to adapt to the environment in order to gain resources for an efficient and effective performance of their organisations (Pfeffer and Salancik 1978). This mutual resource dependency also characterises the range of relationships between central government organisations and the other organisations with which they interact (Rhodes 1988).

In addition to economic and ideological changes, social and demographic modifications/ transformations also shape the way the HE sector is steered. Esping-Andersen (2003) suggests that we are now witnessing another historical shift due to changes in demographic and family behaviour. These, combined with student expansion and reinforced by an increasing female participation, as well as the opening of the system to new publics, also allowed for more diversity, not only in terms of different HEIs types, but also concerning a wide and diversified body of students, academic and non-academic staff. As a matter of fact, the expansion of the system – partly due to political events and incentive policies, and demography and partly to changes in social attitudes – is considered one of the most important factors for changing the governance *style* of HE (Kogan and Hanney 2000). Furthermore, these economic and social factors have influenced demand for HE in specific disciplines, particularly applied social sciences and business and management studies at a time when traditional industrial occupations have declined. As Kogan and Hanney state, "Changes in society both cause, and are intensified by, an increase in access to higher education" (2000: 53). HE massification raised demands for selectivity and for quality assurance, not to mention yet changes in the traditional "trust relationship" contract between the state and HEIs, namely concerning the way funds are allocated.

These changes were also prompted by the oil crisis of the early 1970s, and by the radical student behaviour of the late 1960s, which contributed to change perceptions about HE growth and expenditure levels, namely on the value of its objectives (Maassen 2003). Consequently, the general economic downturn of the 1980s drove governments to emphasise the economic dimension in their HE policies and to introduce further adaptations in governance arrangements (2003: 35).

Simultaneously, as Kogan and Hanney (2000) clarify, changes in the economy and its demands for different types of knowledge and human resources pushed for adjustments on both the curriculum and on research and development (2000: 35). Nevertheless, whilst there is the general acknowledgment that HE and advanced training contribute to economic growth and therefore to increase population wellbeing, governments adopted the idea that the market must fund that from which it will benefit (2000: 51), e.g., governments believed that the market should also contribute financially with the costs of those (new) graduates it will "absorb" when they finish their programmes. These ideas/practices are especially perceptible when we move to the main focus of this study. Quite recently, the Bologna declaration and the EU's Lisbon Strategy, particularly the Modernisation Agenda (2007), which stresses that education, research, innovation and the modernisation of HEIs are important pillars of the Lisbon Strategy, provided the latest major factors pushing HEIs to change their governance structures and processes in order to 'engage' in the knowledge-based economy in a more powerful and integrated way. Behind these changes, however, one cannot forget the impact of changes in the nature of education and research, which can be regarded as both outcomes and contexts for change (Kogan and Hanney 2000).

At the turn of a new century and at the beginning of the new millennium one can observe a "new" context for both universities and polytechnics, where steering tools have became procedural and non-coercive. For this, as Neave (1998) explains, much has contributed one's perception of the State's degree of intervention and its intensity and the outcomes of this intervention. According to the author, it is theoretically possible to have a HE system which functions subjected to formal State control and simultaneously with minimal interference or with a degree of intervention considered "natural", once that "it is not State control *per se* which is the source of disquiet so much as what is perceived as **reinforcing** State control beyond established bounds" (1998: 270, Neave's emphasis).

2.7 Shifts in European HE Governance: a new context for universities

From the perspective of the "interventionary" state, whose mission is to ensure that the HE sector meets the interests of its publics (society) while at the same time searches for continuous development, HE is not very different from other (public) services that are publicly funded. Nevertheless, the general discourse that European universities face demands for urgent and radical

reform has been intensified under the argument that environments are changing rapidly and that HEIs are not able or willing to respond adequately, at least while applying their traditional collegial governance system. As such, it is necessary to rethink and reshape their internal order and role in society simply because European universities do not learn, adapt and reform themselves fast enough (Olsen and Maassen 2007). As it has happened in the public sector, where management, strategic planning and the superiority of market mechanisms were seen as the solution for the lack of efficiency of governments' performance, also in HE, institutional management appeared as the *magic wand* to the challenges HEIs face in the so called knowledge and global society.

A distinction between HE collegial decision-making and managerial governance is provided by Kogan and Hanney (2000: 26) and Bleiklie and Kogan (2007). Within the collegium format, a "minimalist organisation", academics have equal decision-making power and act together to control standards of entry and accreditation, to allocate essential common tasks, to determine visions of labour and reward systems, and to distribute resources equally to its members whilst avoiding control over the amount and nature of the work to be done. According to Ivar Bleiklie and Maurice Kogan (2007: 477), the collegial model of governance resembles the vision of the university as an independent republic of scholars where institutional autonomy and academic freedom are seen as two sides of the same coin and the professoriate have the power to decide about major issues and the management of daily affairs. Collegiality is thus the governance model usually called professional bureaucracy (Mintzberg 1979) where decision-making is shared by equals – academics – who take management roles only temporarily and had relative autonomy in time, teaching and research management (cf. Tapper and Palfreyman 2010). Decision-making is based on consensus-building, egalitarian environment founded in mutual respect among scholars and good discourse where the best argument wins (Birnbaum, 1988).

On the contrary, managerial governance, or a stakeholder organisation as Bleiklie and Kogan (2007) denominated it, implies a hierarchical division of authority and responsibilities, by determining policies and objectives which will be *detached* from academics to whom tasks would be assigned. Institutional autonomy is thus considered a basis for strategic decision-making and academic freedom is circumscribed by other stakeholders' interests. Academics are just one more group of stakeholders among several others (2007: 478). Kogan and Hanney (2000) explain that since HE's main activities are essentially individualistic, and depend on the expertise and commitment of its members, its governmental arrangements fall best within the collegial format, where authority and power are shared by academics. Indeed, the collegial model is the one that best fits the meaning of the word "university", which derives from the Latin *universitas magistrorum et scholarium*, roughly meaning "community of teachers and scholars" (Rothblatt and Wittrock 1993: 4-

5). Defined as such, Meek (2003) states that there are not many HE systems left which follow this style of governance. Indeed, not only in the Anglo-Saxon world but also nearly in every European country, traditional notions of collegiality and consensus-based decision-making have increasingly been put aside, making room for 'business-like' management and the "professionalisation" of administrative structures (Van Kersbergen and Van Waarden 2004). The professionalisation of institutional management and the adaptation of administrative structures are thus achieved through hierarchical and managerial procedures which refers to the role of institutions' leadership (rectors or presidents at the top-level and deans at the intermediate level) in setting internal goals, regulations, and decision-making processes (Schimank and Lange 2009: 59). Nevertheless, on the other side, it is argued that in some countries, academic self-governance remains strong because HEIs daily operations are based on informal and non-hierarchical peer relationships, and academic contributions prevail mostly on personal commitment (Paradeise, Reale and Goastellec 2009). In fact, the peer review-based self-steering of academic communities is considered to be an example of how academics can control their own work (Enders et al. 2008). Alongside this dissertation, changes in the increasing professionalisation of institutional leadership and management will be further explored.

The transition from a collegial governance model to a more entrepreneurial one is framed in a general trend observed since the 1980s, in which the traditional characteristics of the university were challenged in order to reconstruct or transform the university image as an organisation "as others" (Deem 1998). This is better understood when reading the father of HE strategic management writings, George Keller. Keller (1983) defended that as one of the largest industries of the American territory, universities and colleges should be also transformed into businesslike organisations. More recently, Teixeira et al. (2004) started their book about the role of the market in HE with the following statement: "All across the world, higher education has become a large enterprise" (2004: 1). On this, Maassen (2003), drawing on a previous discussion of Becher and Kogan (1992: 181), explains that this emphasis on institutional management on HE reflects the transition period of the 1980s, when management was changing from a second order set of activities into a self justifying activity, i.e., a shift towards a self-justified management function in HE (2003: 46). And this transition happened not only from the academics' perspective, who were then transformed in institutional managers, but also from the perspective of external stakeholders like state authorities/agencies. Indeed, the author remembers that the shift from traditional collegial governance to institutional management, especially evident since the 1990s, is quite clear in Burton Clark's books, namely when he wrote *The Higher Education System* (1983), distinguishing between academic and administrative cultures and roles, and later, in his 1998's book – *Creating Entrepreneurial*

Universities: Organizational Pathways of Transformation – when Clark brings up the importance of the interconnectedness of managerial and academic values in order to build a "strengthened steering core" for the university of the new century, the entrepreneurial university. This model of university governance mentioned by Clark in 1998, which main characteristics were a strengthened steering core, an expanded developmental periphery, a diversified funding base, a stimulated academic heartland and an integrated entrepreneurial culture, contrasted with the traditional governance model of (exclusively) collegiality, mainly due to its rigidity and unpreparedness to deal with the changes that the new century and millennium present to HEIs.

This rethinking of HE governance, which uses management as an indispensable tool in institutional governance, lead us to one common pitfall mentioned in the beginning of this dissertation, namely assuming that all forms of HE management, or public management reform, are pernicious (Meek 2003). Clark (1998) draws attention to the importance of restructuring the university management core, which should be enhanced through the fusion of "new managerial values with traditional academic ones" (1998: 137). He highlights an adjusted combination of "both worlds", not only the exclusive applicability of only one part. According to Maassen (2003), the need to manage HEIs through similar mechanisms used in private organisations naturally relates with the new regulations for public sector management, in which the state "steers" the market (Teixeira et al. 2004) in order to minimise the risk of market failure by applying private managers' expertise in public sector management (Maassen 2003: 50). This is thus the main argument that proponents of the market approach to reform use: there should be enough efficiency gains with the application of market principles to justify any efficiency losses from reduced policy coordination (Peters 2001: 185).

When compared to the 'State control', with its "bureaucratic heavy-handedness" character (Neave 1998), the market approach of governance was viewed as something more suitable to create both 'flexibility' and the skills which HE will need to "survive". Nevertheless, the balance stressed by Clark (1998), the interconnectedness of managerial values with traditional academic ones, is especially useful in order to distinguish (or to remind us) that though the latest decades demanded HEIs to be governed by applying some private sector mechanisms, these institutions are fundamentally different from ideal-type firms (as shoes factories). Furthermore, it is believed that the market model of governance also breeds market-failures (Wolf 1979).

Within the HE sector, the constant claim for increased institutional autonomy for HEIs, in the name of efficiency and responsiveness to society's diverse needs, frequently underlies reforms within the sector. In fact, when carrying out their empirical work, Kogan and Hanney (2000) found through their interviewees' answers that, in those HE contexts where the state has traditionally played a less

visible role in institutions' steering, there is a common perception that the power of the institutions has grown at the expense of individual academic freedom, e.g. there is an inverse relationship between increasing institutional autonomy and decreasing academic freedom. On this, both authors and Meek (2003) draw on Eric Ashby (1966) and Berdhal's (1988) distinction of academic freedom, which belongs to the individual academic, namely the "freedom of the individual scholar in his/her teaching and research to pursue truth wherever it seems to lead without fear of punishment or termination of employment for having offended some political, religious or social orthodoxy" (Berdhal 1990: 172-173) and institutional autonomy. In order to be an autonomous institution, Berdhal (1990) states that a HEI needs to fulfil three basic requirements. These are: freedom to select staff and students and the conditions under which they access and remain in the institution; freedom to determine the curriculum content and degree standards, and freedom to allocate funds (within the amounts available) across different categories of expenditures (Ashby 1966: 296 *in* Berdahl 1990: 172). According to Neave (1998) and Meek (2003) no HEI has complete autonomy once institutions will always need to be publicly accountable to its stakeholders for what and how they do, whether they are public or private. Nevertheless, despite increasing "external" demands to be accountable, from the moment (European) universities have the right to decide on the aforementioned issues, and to pass their own statutes, it is commonly assumed that HEIs are becoming more autonomous. According to the Eurydice 2000 report *Two decades of reform in higher education in Europe: 1980 onwards*, and EUA studies (Estermann and Nokkala 2009), one of the most significant reforms observed in the European context is the increased autonomy HEIs conquered. This was possible, not only at the expense of individual academic freedom, as Kogan and Hanney (2000) noticed, but also (and probably the factor that suits most to countries whose HE systems are organised according to the Continental model, such as Portugal and Finland) through the move away from an "interventionary state", where institutions were submitted to detailed control through legislation, towards a more "facilitatory state" (Neave and Van Vught 1991; Neave 1998) or the Evaluative state supervision model.

The increasing emphasis on accountability within the HE sector started to be evident in the late 1980s and early 1990s, stimulated by the ideology of performance orientation, which emerged with the second wave of reforms in the public sector. This increase was also driven by a decline of trust in public institutions, including universities. Although referring predominantly to the US context, Martin Trow (1996) explains that accountability is an alternative to trust, and efforts to strengthen it usually involve parallel efforts to weaken trust. As such, European HEIs started to apply formal quality assessment mechanisms as a form of self-regulation. Taking Kooiman's (2008) definition on self-regulation, explaining that in modern societies it refers to situations in which

actors take care of themselves outside government's domain and control (2008: 9), it is curious (and even paradoxical) to see that greater accountability also implies that HEIs redefine the ways in which they inform their stakeholders about their performances, implying a tighter political control of HE (Maassen 2008). This, in turn, requires more stringent and detailed procedures for quality assurance mechanisms, both at the state and institutional levels. As a matter of fact, the "construction" of HEIs as institutions able to be self-regulated in order to better adapt to changes imposed by their external environments had not been possible without a huge legislative effort. As Neave (1998: 275) argues, deregulation occurred in parallel with the emergence of an arsenal of legally defined instruments. Thus, this changing role of the government, the rise of the Evaluative state, vis-à-vis HEIs allowed for a transfer in the allocation of responsibility with respect to institutional, legal, financial and planning issues, becoming then institutions' responsibility instead of governments' (Maassen 2003).

This, however, does not mean that the government is no longer a major player in HE governance. Instead, it gets rid of a series of duties and financial burdens (encumbrances) to seek other models of governance. As an example, to accomplish this shift in responsibilities, public HEIs started thus to be evaluated through *ex post* instruments, such as goal formulation, performance measurement, quality indicators, efficiency and costs standards, benchmarks, etc. (Goedegebuure and Meek 1998), also as a way to learn from the effectiveness and impact of their *ex ante* assessment mechanisms and processes, such as legislation and rules. This shift from *ex ante* regulation and incentive mechanisms to *ex post* instruments of control, or as Maassen (2008) refers, a move away from steering on the basis of 'hard' regulations and laws to a growing reliance on steering on the basis of 'soft' mechanisms also reflects a change in the steering paradigm, from vertical to horizontal forms of governance (2008: 103). This paradigm emphasises the need to increase the efficiency of services provided by the HE sector, culminating in the proliferation of assessment and evaluation agencies all over Europe. Nevertheless, as Bleiklie (2000) refers, the traditional tools of governance are still highly used in several systems, Portugal and Finland being good examples of that. Indeed, it is often argued that what we are witnessing now is a devolution of authority from the state level and, at the same time, centralisation tendencies within HEIs when it comes to accountability measures such as quality assurance (CHEPS 2008).

In turn, Paradeise et al. (2009) refer to this relationship between the state and HEIs as a "(…) win-win game based on simplification of regulatory and administrative procedures and separation of policy-making and management" (2009: 229). When there is asymmetry of power between both parties, universities, free from excessive regulation, have freedom to dedicate more attention to

develop their strategic capabilities, while public authorities, by reducing top down management costs, can concentrate on their steering functions (Paradeise et al. 2009).

In addition to the instruments mentioned above, or to be more precise, in parallel with them and also as a way of implementing these measures, intermediary bodies of negotiation between government and HEIs were established as a way to redistribute (and to deregulate) powers across the various policy levels. These state control agencies are, among others, research and funding councils and quality accreditation agencies. The reallocation of functions and control from the central national administration to different ministries can also be interpreted as a renewed focus on public governance, namely in the way the "interventionary" state steers the HE sector. As Gornitzka et al. (2007: 196) explain, in some countries these intermediary bodies traditionally served as buffer organisations to soften the impact of government on universities. Interesting is that based on the studies of Meek (2002) and Kogan and Hanney (2000), Gornitzka et al. (2007: 196) refer that in the UK these bodies were explicitly changed to act as agencies of national ministries and to protect the interest of government rather than the universities in the coordination of HE.

In such a multi-actor governance approach, national governments are only one of the influencing actors in a complex network of many interrelated, more or less autonomous actors. In this sense, the sate's role, via these agents has become what Rhodes (1996), among others, called one of a network manager – "governance as a self-organizing networks" (1996: 658), in which the state steers by directly adjusting the responsibilities assigned to intermediary bodies (Neave 1998). Nevertheless, this model of governance in which the state intervenes by delegating responsibilities to its intermediary bodies raises questions with respect to their level of ownership, autonomy, independence and even responsibility. Rhodes (1996: 659) argues that these organisms, as representations of self-organised networks, are autonomous and resist government steering by developing their own policies and managing their environments.

With respect to HE this mode of functioning is not linear. Neave (1998: 281) defends that these intermediary bodies may be seen as a "parallel bureaucracy" which has evolved to a form of public service privatisation. On the other side, they also represent another form of "steering from distance", or steering through deregulation, especially when governments aim at addressing 'government failures' of the past, as Wolf (1979) referred. In this sense, the delegation of responsibilities through different networks may become bewildering, leading to a sense that there is no one actor who can be held effectively accountable. The distribution of power is thus diffuse and pluralist (Ferlie et al. 2008: 333). However, despite their significant degree of autonomy, the relationship between governments, HEIs, and these intermediary bodies, which have then spread not only to the national but also to international levels, is quite complex and it entails a relative

degree of interdependency between those involved. This comes in line with what Peters (2000) stressed relatively to the fact that governments had lost some policy autonomy to external actors such as international organisations and amorphous international markets, creating the perception of resistance to being governed.

This mixture of specific modes of public management, in the governance of HE, namely the use of market mechanisms, combined with soft bureaucracy approaches, delegation of powers and responsibilities, and the use networks as a governance layer, became typical of this sector, given the specificity of the HEIs' nature. HEIs, as well as many other complex organisations, have always been hybrids (Reed et al. 2002: xxiv). According to Ferlie et al. (2008) this occurs due to oscillations, when over time, a system may oscillate from one type of governance model to another and back again. Gornitzka et al. (2005) refer to this using a similar rationale, the sedimentation process, in which remnants of old systems are blended with the new, posing thus serious challenges when implementing new policies: "…when ideas of self-regulation mix with continued aspirations and practices of central control, and when structures of responsibility and governance are unclear" (2005: 48).

Simultaneously, changes in the way HE policies are steered and the positioning that the sector has been acquiring in the society in general brings the problem about definitions of what the term public sector means, about who is the public service consumer (Carvalho 2009: 72), and about who are the real stakeholders of the organisation (Amaral and Magalhães 2001). These issues demand a reflection about what kind of regulatory framework suits the HE sector in order to best satisfy the 'public interest'. This, in turn, brings up concerns about the way the sector is going to be funded, considering that European governments have traditionally remained the primary funding source of HEIs and institutions are increasingly pushed to diversify their funding sources. Nevertheless, at the present there still are many HEIs, albeit in a lesser scale, which still depend on government for funding and even for legitimacy, especially in those countries that are now moving into a 'modernisation' process of their HE systems.

Meek (2003) also draws attention to the movement from the public good concept of knowledge to one of commercialisation and 'private' ownership, which finds its roots on the neo-liberal ideology of NPM, challenging in this way the traditional academic values with respect to HEIs structure and organisation. Moreover, this movement is accompanied by harsh criticism to the image of the scientist protected from the world in an ivory tower, e.g., the idea that science was a different activity in which scientists were seen as a group outside the society (Ferlie et al. 2008: 328). Such discussions may be analysed in the light of the 'contractualisation' concept as the new governing principle between government, society and HE (Neave 1998), when the state has to steer through

contracts, partnerships and networks the services provided by these intermediary bodies. According to the author, contractualisation "… puts an end to the idea of the university as a service **to** the State and instead recasts it as a public service of which one of the funders and supporters **happens to** be the State" (1998: 276, author's emphasis). This shift changes substantially the traditional 'trusting relationship' between the state and institutions, namely with respect to the way HEIs, as self-regulated institutions, administrate their opportunities and in the way HE is seen and assessed by its publics. Thus:

> "As a service to the public, clearly the university has to be judged on the basis of the perceptions that the public has of the services it receives and which, increasingly, it is being asked to pay for directly out of its own pocket. However, the apparent loosening of ties between State and University also means that the university has the opportunity to seek support – financial, moral or donatory – from third parties and to pass contracts with them as well" (Neave 1998: 277).

Such HE dynamics point to the fact that what can be seen as a reduction of state's power at a particular time and situation can also be seen as its reinforcement in other moments. According to Van Kersbergen and van Waarden (2004), coordination increasingly takes place through several ways, policy levels and actors which have the ability to influence the agenda setting, policy implementation, developments and its evaluation (de Boer, Enders and Jongbloed 2007). Indeed, it can be said that 'multi-actor governance' (and multi-level, as we shall see below) is one of the most *recent* and outstanding characteristics of HEs systems in the Western world, especially in those countries integrating the Bologna process. Somehow seen as an extension of the European dimension, Bologna is probably the most visible representation of this multi-actor and multi-level environment, characterised by a *balance* in power distribution. This is diluted among the different actors according to the nature of the policy to implement and their aims, which is also complemented with a certain degree of freedom in its implementation, both at the institutional, regional, national and international levels.

Being HE management a relatively new function that is "(…) internally embedded in a democratic governance structure and a traditional administrative structure" (Maassen 2003: 48), it is understandable and reasonable the idea that one needs to improve continuously the governance and management structures of the sector in order to achieve an optimum level of performance, especially after the moment HEIs are confronted with a general discourse of diminishing level of trust in their missions and performance. Nevertheless, and as Pollitt (2003) signals, it is also important to take into account that even when a particular reform clearly 'succeeds' in respect of one or two of its objectives, it is unlikely that it will succeed in all. As universities (and other types of HEIs) are being increasingly identified as "key actors" in developing the knowledge society, European governments have never been so attentive to HE and research than today, and it is therefore natural that they search for means which enable them a less expensive and more efficient

management of the sector (Ferlie et al. 2000). In this sense, changes in the development of the contexts where HEIs operate, namely the increasing emphasis on a knowledge based economy and the globalisation of the labour market for graduates with a HE degree, revested HE with increasing value. This happened both socially – due to increasing massive participation – and economically, considering that knowledge and technology are seen as key elements for both economic and social development. As such, HE has become more visible politically and more strategic economically, but simultaneously "less special" (Maassen and Olsen 2007). Therefore, while it became more expensive to sustain the sector, simultaneously governments and other stakeholders put increased expectations and pressures towards the sectors' modernisation. These expectations gained extended expressiveness at the expense of several aspects, namely pressures to change modes of knowledge, training and education production (from mode 1 to mode 2 and more recently to mode 3, Gibbons et al. 1994).

Parallel to this, many European countries HEIs are under strong pressure to increase their cooperation with society and industries (public-private partnerships) by implementing a third component in their mission, namely technology or knowledge transfer in order to be more relevant to its stakeholders. This relevance happens through the promotion of innovativeness, job creation, and establishment of direct links between research/knowledge and commercial activities (Maassen 2008). Indeed, the emphasis in the productivity of research and teaching is turning so fast to economic demands that this poses challenges to the "true" value of knowledge and to the fact of who decides (and to whom) what is "useful knowledge". As Henkel (2000) put it: "This implies that HE exists to provide knowledge that is useful and efficiently produced for society and its value will be determined substantially, if not wholly, by those outside academia" (2000: 60). Thus, since the moment knowledge is recognised of paramount importance to enhance economic growth and global competitiveness, it seems *obvious* that governments put more efforts to adapt governance to the new situation, setting policies in this direction.

2.8 Modes of Governance

Issues related with the way societies are ruled and organised have always raised great interest and debates amongst different publics. However, as Peters (2001) puts it, very often, these discussions are not more than continuous and hollow criticisms to government and to the people working in it.

In order to understand the context that prompted changes in the HE sector, especially those stemming from recent legislative reforms, the evolution of the "different roles" of the state in the public sector will be explored. The analysis starts to describe the traditional model of governance,

its specificities and why it was considered such a successful model during several decades. By doing this, it is then possible to understand the context which gave rise to increasing dissatisfaction and, ultimately prompted attempts to reform. Subsequently, and sharing the assumption that the traditional governance model is being left behind (van Vught 1989; Neave and van Vught 1994; Kooiman 2003; etc.), the rationale for shifts in governance modes will be explained, as well as the alternatives which have been emerging in the last decades and how this scenario affects HE systems and institutions.

The main rationale for linking general reforms in the public sector with particular changes within the HE system lays on the belief that HEIs are complex organisations operating in an open system, receiving inputs (professionals, students, financial resources, etc.) from, and producing outputs (students finishing their studies, research results, etc.) for their environments (Birnbaum, 1989). Furthermore, the *system* of political and socioeconomic relations underlies any public sector activity, namely HE governance. Thus, since institutions do not exist in a vacuum, both private and public sectors constitute part of the external environment where HEIs operate. As noticed by Maurice Kogan and Marton (2006), as universities are major public institutions, they can be considered either as sub-systems of the state or as independent institutions that are strongly affected by the nature of the state (2006: 69). Sharing an analogous opinion, Ferlie et al. (2008) defend that the transformations experienced in HE are similar to those experienced by other key public services due to the redefinition of the role of the nation state in the generality of public services.

There are, however, other viewpoints on this. For example, Guy Neave (1998) argues that the reforms the public sector went through in the last decades should not be compared or resembled to the HE sector. He advocates that this is an extremely peculiar sector, which was affected by "exclusive" factors, such as the massification and, in some regions, like the US and in some European countries (Nybom, 2007), the universalisation of HE. And, at least in Europe, this has happened without any fundamental structural and institutional changes in the existing, "often unitary and inflexible", HE systems (2007: 74). Nevertheless, since the mid-1980s that broad questions such as *how should government govern*, *what should it do*, *who decides*, *how do they decide*, and *what do they decide* (Amaral, Jones and Karseth 2002: 279) have been gaining growing importance in the political agendas of national HE systems.

A curious point is that, although the concept of HE governance is scarcely used in the Bologna documents, governance is an area that underlies all the aspects of the Declaration (Kohler 2006; Zgaga 2006). This intertwining between governance issues and the Bologna process should be understandable considering that the objectives and tools of the process are to create change – both at the system and institutional levels; they are about a culture of change and about change

management, aspects which undoubtedly are an essential part of governance (Kohler 2006: 22). Furthermore, the fact that the Bologna documents have been highlighting the notion of HE as a public good and a public responsibility, reinforces the pressures for implementing "good" governance in the sector (Kohler 2006).

Generally speaking, these discussions fall in the wake of previous studies on the relationship between the state and professional public organisations, such as hospitals and universities. Among others, the different forms of organisation and state intervention were denominated as *State Models of State Governance* (Johan P. Olsen, 1988), *Steering Models* (van Vught 1989), *Governance Modes/Models* (Kooiman 1993; Rhodes 1996; Peters 2001; Pierre and Peters 2005), etc. Although the majority of models and changes presented in the literature refer to public sector specificities, the conceptualisation of the stages presented in these models, as ideal types, can be applied to different realities (Carvalho, 2009). In this research, some of these models will be applied to the HE *reality*.

According to Enders et al. (2008: 114), a mode of governance is made up of several dimensions that are combined in empirical situations, which means that they refer to the approaches governments use to steer and influence specific public sectors, such as HE. Although they all require both social and public sector actors to perform their tasks, these actors are assigned with different roles and different powers. Therefore, they represent different political histories and state traditions (Peters 2005: 10).

Olsen (1988) orders governance models along two dimensions that explain decision-making: voluntaristic and deterministic. Decisions are either voluntary and reflect the goals and expectations of rational actors, or they are determined and respond to environmental forces (1988: 237-238). Complementing these ideas, Gornitzka and Maassen (2000) refer that steering models concern the institutional context of policy processes. As such, these models encompass two distinct types of institutional rules: interaction and context rules, which determine the relationships between state and society in a policy subsystem. Thus, whereas interaction rules configure the interaction behaviour of actors in the public sector, context rules refer to the way the context in which this interaction happens is regulated (2000: 268). There are several stages specifying the intensity of state's intervention and its purposes in the public sector. Kogan and Hanney (2000) explain that this intensity can be placed on a spectrum, going from

> "(…) the minimalist position advocated by Nozick (1974) in which the state does not do more than to protect the natural rights of individuals, through more traditional liberal and conservative thinking, to the maximalist communitarian of absolutist views both of which grant maximum authority to collectivity" (2000: 24).

Thus, these different governance models share some important commonalities as well as crucial differences (Peters 2005). All of them represent alternatives to the traditional system of governance,

even if some of them still incorporate characteristics from the traditional mode. Additionally, there is the common belief that different steering models should be interpreted and understood bearing in mind different political, social, historic and cultural contexts (Peters 2001; 2005; Kooiman 2003; Carvalho 2009). Furthermore, with the exception of the typology introduced by Van Vught (1989), these steering models are not necessarily mutually exclusive; they refer to hybrid forms of coordination, i.e. the use of elements from more than one theoretical model in any governance approach in practice (Gornitzka and Maassen 2000; Cloete et al. 2005; Muller et al. 2006). While Olsen (1988) presents four different governance models and Pierre and Peters (2005) introduced five models[31], the typology introduced by Van Vught (1989) varies only between two steering models. Both models represent the extremes of the spectrum with respect to the intensity of the state's intervention in public sector and this is why Van Vught's models do not overlap.

Hybridism, the combination of state regulation and market coordination, is in itself not negative or positive, once it depends upon the effects of its application in practice by a government (Cloete et al. 2005: 220). The models presented here are just borders on being ideal types, and therefore one needs to acknowledge that there is no national case that fits neatly in any of the patterns described (Peters 2005: 17). The purpose is to apply these models to different situations (Olsen 1988). Political hybridism is thus a recurrent feature of governance in HE, resulting from an ambiguous role of government towards HEIs performance.

When comparing state steering models in eight Western European countries, and referring to the Portuguese HE system, Å. a. Gornitzka and Maassen (2000) explain that hybrid forms of governance in specific areas appear "… where there is an overlap between the legal decision–making capacity given in the law to the Ministry of Education and the capacity given to the institutional decision making bodies" (2000: 83). Referring to this type of political hybridism, A. a. Amaral and Magalhães (2001) point to the *Janus-headed* character of state governance in the HE field, e.g., when increased institutional autonomy is still shared with significant government regulation.

Frequently used classifications for HE are the state models introduced by Olsen (1988) and the basic steering models developed by van Vught (1989) which are the central/rational planning and control model, and the self-regulation model. These were later elaborated into state control and state supervision models in order to analyse changes in the relationship between the state and HE (Neave and van Vught 1991; Muller et al. 2006).

Briefly, the state control model is characterised by strong confidence in government's capabilities and decisions and therefore the government steers through stringent rules and extensive

[31] Peters' (2005) governance models which roughly correspond to Olsen's classifications: *Étatiste, Liberal-Democratic, State-Centric*, the *Dutch Governance School* and *Governance without Government.*

control mechanisms (Gornitzka and Maassen 2000: 269). Governments see themselves as omniscient and omnipresent actors able to steer a part of the society according to their own objectives (*ibid*). According to this model, governmental actors and agencies acquire comprehensive knowledge of problems to examine all alternatives for action and their consequences before taking the best decisions (Amaral and Magalhães 2001: 10).

As a stereotype, or an "intellectual construct against which to compare reality" (Pierre and Peters 2005: 24), this model would correspond to Peters (2005) *Étatiste model*, where the government is the principal actor for all aspects of governance and governs with little or no involvement of societal actors. This pattern of governance, as pointed by the author, seems quite unlikely to appear in contemporary democratic societies.

On the other side, the self-regulation model is more "modest" when it comes to state control and it emphasises monitoring and feedback. In this model, governments behave predominantly as actors "… who watch the rules of the game played by relative autonomous players and change the rules when the game no longer is able to lead to satisfactory results" (2000: 269). Muller et al. (2006) explain that the assumption supporting a development from the state control model to the state supervision model is based on the rationale that the supervisory role of the state leads to a better performance of HE systems than the controlling role. Nevertheless, it is important to keep in mind that this dichotomy of analysis does not allow for accurately and completely study shifts and/or developments on the specificities of HE governance. This is why Olsen's typology of state governance models will be used here as a framework of analysis. This typology is a more flexible tool of analysis that includes more variations between these two spectrums, allowing us to position both case studies.

With respect to administrative reforms in the public sector, Olsen (1988) explains that the significance of his four models of governance (the *Sovereign, rationality-bounded State*, the *Institutional state,* the *Corporate-pluralistic state*, and the *Supermarket classical liberal* state) lays on the fact that they can be found in Western democracies in different blends. In this way, and as referred also by Rhodes (1996), they materialise different democratic ideals and views of the role of the state, social actors and government's agencies. Additionally,

> "(…) their [governance modes] relative prominence may shift over time and from one societal sector to another. The result being a heterogeneous state consisting of different organs and sectors not necessarily applying the same approach to government steering and control, and where changes in this approach may occur without necessarily doing away with the remnants and institutional arrangements of former approaches[32] (Gornitzka and Maassen 2000: 269).

[32] These types of reforms, where changes are implemented without former approaches have been completely "removed" or rejected, is called *sedimentation* and is a typical process HE. Ackroyd (1995: 23) defines to *sedimentation* as a situation in which old institutions and processes are seldom completely abolished; rather they are improved and restructured or even downgraded. The *sedimentation* process is thus similar to *organic growth* and opposes to *radical*

Olsen's models portray different explanations for the links between central governments and various public agencies, while trying to answer to question of why governments should provide agencies with more autonomy (1988: 234). Each model is based on a different view of the proper role of the state, the public and government agencies. In this sense, all models can operate with autonomy – only the criteria and standards (justification) for it and the underlying ideas for such autonomy are different (Olsen 1988: 237).

The main characteristics of Olsen's models will be briefly summarised here and applied to the HE context, drawing on the work of Gornitzka and Maassen (2000). A summary of the four models of governance and their dimensions is provided in table 2. These models assume that conflict is solved *a priori* so that decisions are made with reference to shared goals and norms (Olsen 1988: 237).

2.8.1 The Sovereign, Rationality-Bounded State Model

According to this model, which assumes a managerial perspective, the role of the state is to adapt society to political preferences, plans and visions of good society (Olsen 1988: 237). By winning public elections, political leaders get the authority, legitimacy and power to architect society.

Administration is an instrument to implement political goals and it is therefore seen as a neutral activity. The author refer that the standard organisational model is the departmental agency constituted by a hierarchy of influence, responsibility and control and insulated from other influences. Thus, an agency gains autonomy from the central government through leadership choice or delegation. The degree of this autonomy depends on the importance and attractiveness of decisions for political leaders. In this way, political leaders face a dilemma when dealing either with tightly controlled agencies – which often show little initiative and become then impotent and formalistic – or with less tightly controlled agencies, which might give priority to special self interests (*ibid*: 239). Olsen explains that political leaders prefer loosely coupled relations in situations where they are much dependent on an agency's expertise, and where differences in interests and identifications are modest. "In such cases, agencies or boards of experts are given a central role in public policy making" (*ibid*: 239). Loose coupling results thus from the leader's choice as he sees this as a means for achieving his goals. In this way, changes in organisations follow changes in the political arena, as for example, via elections (when a government looses an election) or via changes in political coalitions (*ibid*: 239).

change, once "… change is viewed as processes where new ideals come in addition to and are 'layered on top' of established ones" (Bleiklie and Kogan 2007: 483).

With respect to HE, the sovereign state model is closely associated with the state control model or with the interventionist state, in which HE is seen as an instrument for reaching economic, political or social goals, e.g. HE is seen as an instrument of achieving national purposes. This purpose is best achieved through tight control over HEIs (Gornitzka and Maassen 2000: 270). In this way, HEIs need to be highly accountable to political authorities. Nevertheless, institutional autonomy is based on the idea that the government is overloaded and therefore "technical" decisions can be left to the institutions themselves. Institutional governance is strongly hierarchical and the decision-making is centralised with 'top down' procedures. Policy-making happens in elected assemblies and in the neutral but politically loyal civil service. Change happens according to changes in political leadership. Being one of the most centralised HE systems in Europe until recently, Finnish universities have been an essential contributor in the creation of the Finnish national identity (Treuthardt & Välimaa, 2008). Changes that have been happening in the Finnish HE system result from a mixture, or a blend of these two aspects: developments of historical processes and political reforms.

2.8.2 The Institutional State Model

In this model, the state is a political and moral order and represents a collection of enduring standard procedures that reflects the shared principles and beliefs of the population. The state's primary task is to guarantee the political order and the autonomy of the various sectors of society (Olsen 1988: 239). In this way, the duty of political leaders is to support rather than direct society. Similarly to the New Public Service model (Denhardt and Denhardt 2000), the public is viewed as citizens with system-defined rights and duties. Contrary to the sovereign state model, in the institutional model governmental agencies are not neutral institutions: they are cultural systems that embody missions, values and identities (Olsen 1988: 239). Organisations develop over time through a natural, historical process. This long-run development allows for smooth reorganisations. Reorganisation processes formalise then developments that have already taken place. As such, not only reorganisation facilitates the maintenance, development and transmission of cultural norms and beliefs, but it also keeps concepts and theories alive (*ibid*: 240).

In this scenario, the agency's autonomy is based on a shared norm of non-interference, stable values and ministerial responsibility. It does not depend upon the political leaders' choices. Actors exercise authority in a way that reflects the history and the future of the institution, without adjusting preferences or demands to "a current set of political leaders, voters, consumers, employees, or owners" (*ibid*). In this sense, there might be conflicts between immediate and long-run self interests and legitimacy appears as problematic, once the main concern of the state is the development and

maintenance of norms and meanings (*ibid*: 237). In this model, reform is slow and incremental, reflecting the wider political culture. Change follows the development of shared understanding among different interest groups (*ibid*: 240).

In the HE arena, the institutional model is better portrayed by the relationship between the State and traditional elitist universities. As the name itself suggests, this model remits us to the institution, namely to the responsibility HEIs have in protecting academic values (e.g. academic freedom) against shifts of political regimes and market values, in storing, transmitting and transferring knowledge (Gornitzka and Maassen 2000: 270-271). In this model, prevailed the social contract between HEIs and the State, i.e. there is a shared understanding and unwritten conventions with respect to the non interference of the state in the civil service, namely in universities' life as elite institutions. Institutional autonomy is thus based on the shared norm of non-interference of the state and *d*ecision-making is specialised and traditionalist. According to this model, change in HE happens through historical processes and evolution rather than as a result of reform (*ibidem*). Muller et al. (2006) explain that the sovereign state model and the institutional state model are considered variations of the traditional governance model, whereas the other two following models are alternatives to the traditional governance approach.

2.8.3 The Corporate-pluralistic State Model

In this model, and contrary to the sovereign state model, the state is not the only holder of power and it is involved in a political struggle between self interested, powerful and organised actors. Thus, according to this model, power appears as the problematic dimension because it is assumed that the state is an arena for resolving conflicts between self-interested public and private actors (Olsen 1988: 237). In fact, the public is viewed as members of a variety of self-interested formal organisations. In the corporate-pluralistic state model, agencies are unlikely to be neutral institutions for elected leaders: "they act strategically and take part in various coalitions of public and private interests" (*ibid*: 241).

The sedimentation process, so characteristic of HE reform, fits in this model of governance. Olsen explains that reorganisations processes are the outcomes of struggles over the control of organisations, and, in turn, organisational structures result of previous political fights. Thus, reorganisation processes reflect the heterogeneity of interests present in policy making, and the autonomy of agencies comes from the choices of a winning coalition (*ibid*). In this model, the standard organisational form is collegial with interest representations. As such, bargaining between representatives solves conflicts and compromises should be reached, as no single actor can decide unilaterally (*ibid*). Change depends upon changes in power interests, resources and alliances, as well

as the results of political events such as elections, changes in the relative position of agencies and professional groups (*ibid*).

With respect to HE, the corporate-pluralistic or segmented state opposes to the idea of the state as a unitary actor with monopoly over power and control. It rather shares the idea that the role of HE reflects the interests and ideas of its stakeholders (e.g. students unions, professional associations, industry or regional authorities, buffer organisations, etc.), where the government represents just one more interest group among the other stakeholders. Networking is the main set/*modus operandi* of policy-making in which actors act strategically to promote the interests of their organisations or interest group. The main mode of decision-making is negotiation and consultation. As institutional autonomy is negotiated, there is a distribution of interests and power. As mentioned above, change in the sector depends upon changes in power interests and alliances (Gornitzka and Maassen 2000: 271). This model roughly corresponds to Peters' liberal-democratic state and governance model.

2.8.4 The Supermarket State Model

The last model introduced by Olsen (1988) is the classical liberal state or the supermarket steering model, where the state is *merely* a service provider to a public that is seen as sovereign consumers or clients. Public agencies should perform services in the most efficient way and to adapt as fast as possible to changing needs and circumstances. Thus, in this model, the environment dominates the state, although administrative reforms hinder agencies adaptation to environmental forces (1988: 242). In this way, and doing justice to the population ecology of organisations developed by Hannan and Freeman (1977), there is no need of developing assumptions about actor rationality because those organisational forms that are inconsistent and/or do not adapt to environmental contingencies perish. Only the most adaptable, flexible, economic and efficient organisational forms will survive, and the state only delegates decisions to those which have the necessary information and expertise. Agency autonomy is thus the result of environmental necessities (1988: 242).

The standard organisational model is the corporation embedded in a competitive market. As such, an agency is just one among many market actors. According to the supermarket model, the relationship between the state and society is that of the perfect market, where there are perfect information, easily available alternatives and easy entry. Competition is then the main factor in maintaining flexibility, adaptability and innovation (*ibid*). According to this model, changes in the administrative machine depend on the rate of change in the environment. In this way, whereas in turbulent societies or unstable times, administrative patterns change rapidly, in rigid societies, administration is highly stable, independent of shifts in governments or ruling conditions (*ibid*).

Also in HE, the role of the state is minimal, according to the supermarket state model. It can be said that this model fails in the Nozick's spectrum extreme, in which the state limits its role to (only) assure that market mechanisms in HE run smoothly. In Pierre and Peters (2005) conceptualisation, this would be the "governance without government" model, in which the state has lost its capacity to govern and private actors have greater legitimacy than the state to govern. "Governance is conceptualised as being "bigger than government" or a more encompassing process than the policy process, and also as a process which sees political and other actors connected in networks" (2005: 41). Peters (2005: 12) refers that the empirical references for this model are found primarily in northern Europe, although this governance model has increasingly spread to other European countries.

Table 2 – Olsen's (1988) Typology of Governance Models

		Decisions are voluntary and reflect the goals and expectations of rational actors	***Decisions are determined and respond to environmental forces***
Decisions are made among actors with shared goals or norms		**Sovereign Rationality-Bounded State Model**	**Institutional State Model**
	The organisation's role in the state	The state is the architect of society; the agency is a neutral instrument implementing political goals; the public are voters subordinate to the state.	The state develops and maintains political and moral order; the agency protects the order and individual rights; the public are citizens with rights and duties defined by the system
	Formation of organisations	Organisations are designed by political leaders; autonomy is delegated.	Organisations develop over time in a natural, historical process.
	Criteria used to assess organisations	Organisations are judged by their political effectiveness.	Organisations are judged by their effects on structures of meaning and norms.
	The organisation's form and place in a network	The organisation is a departmental agency embedded in a hierarchy.	The organisation is an independent court embedded in a moral order.
	Reasons for an organisation's autonomy	Autonomy is justified by rationality and expertise; it relieves political leaders and avoids embarrassment.	Autonomy is justified by shared norms of non-interference.
	Reasons for change in an organisation	Change depends on changes in political leaders, elections, coalition formation and breakdown.	Change depends on the historical process, mostly influenced by changes in the government.
Decisions are made among actors with conflic		**Corporate-Pluralistic State Model**	**Supermarket State Model**
	The organisation's role in the state	The state is an arena for bargaining and conflict resolution; the agency defends special interests; the public are members of formal organisations.	The state is a service provider and "bookkeeper for the great necessities"; the agency facilitates service delivery; the public are sovereign consumers or clients.
	Formation of organisations	Organisations develop out of bargaining and political struggles among interests.	Organisations are formed by environmental pressures, "evolutionary" selection.

Criteria used to assess organisations	Organisations are judged according to who gets what.	Organisations are judged according to their economy, efficiency, flexibility and survival.
The organisation's form and place in a network	The organisation is a collegium with interest representation embedded in a corporate-pluralistic network.	The organisation is a corporation embedded in a competitive market.
Reasons for an organisation's autonomy	Autonomy is justified by realpolitik, or the distribution of interests and power.	Autonomy is justified by the ability to survive.
Reasons for change in an organisation	Change depends on changes in power, interests and alliances.	Change depends on the rate of stability or change in the environment.

Source: Adapted from Olsen (1988: 238).

In the classical liberal state model, where the dominant organisational form is similar to a corporation embedded in a competitive market, HEIs should be assessed in terms of efficiency, economy, flexibility and survival and therefore institutional autonomy depends on institutions' ability to survive. The role of HEIs is to deliver their primary services as teaching and research. In turn, the role of the state is to assure that market mechanisms in HE work perfectly, in order that government's interference is *just* to strength the self-regulating capacity of HE. Thus, as there is a high level of decentralisation, there is no dominant arena of policy-making. Change in HE depends on the rate of stability or change in the environment (Gornitzka and Maassen 2000: 272).

According to Olsen (1988: 242), each of the four models represents a form of government that, if implemented under a specific set of circumstances and/or certain conditions, is politically efficient, being able to discover viable solutions with minimum administrative costs. Nevertheless, and analysing the Norwegian case, the author points to the fact that there is no simple solution to the organisational problems of the welfare state, as none of the four models or any single model of governance can alone guarantee representative and responsible government (*ibidi*: 247).

Due to the specificity of the countries of this research, it is necessary to refer to the different cultural traditions and political approaches to problem solving as part of this "specific set of circumstances". Furthermore, it should be remembered that this typology was created in 1988, and the increased importance of professional networks, as well as the role of globalisation and internationalisation in policy making.

In sum, HE governance is thus a multidimensional concept and phenomena, i.e. a multi-actor and multi-level process. As such, the researcher believes that the policy processes of this study include the five HE governance dimensions explained by Schimank (2005). Elaborating on former concepts from Clark's (1983) triangle of coordination (market forces, state and academic oligarchy), Schimank (2005) distinguished five mechanisms to conceptualise university governance and that can be used for comparative purposes. Briefly, these are:

- State regulation (or *bureaucratic regulation,* Schimank and Lange 2009: 58): means top-down regulation by directives; the government prescribes in detail what universities have to do under particular circumstances. It relates to the traditional notion of top-down authority vested in the state.
- Stakeholder guidance (also called *external guidance*, Schimank and Lange 2009: 59) relates to activities that direct universities through goal setting and advice, leaving universities room to *manoeuvre*. In public HE systems, the government is usually an important stakeholder, but not necessarily the only one. The government may delegate certain powers to other actors, such as intermediary bodies or representatives of industry in HEIs' boards. According to Schimank and Lange (2009: 59) this mechanism can allow for new forms of "network governance" and strengthen a more democratic involvement of taxpayers through representation in HEIs' boards. However, if this participation is limited to elites only, it can favour a more hierarchical model of governance.
- Academic self-governance, as the denomination itself suggests – concerns the traditional role of professional communities (i.e. disciplines) within the HE system. This mechanism is institutionalised in the form of collegial decision-making within HEIs and the peer review-based self-steering of academic communities, e.g. in decisions of funding agencies.
- Managerial self-governance (or *hierarchical management,* Schimank and Lange 2009: 59) relates to hierarchies within HEIs as organisations. In this dimension, the role of institutional leadership – Rectors and/or Presidents at the top level and Deans and Heads of Departments on the intermediate level – in internal goal setting, regulation, and decision-making is at stake; and finally, there is a
- Competition for scarce resources (*competitive pressure*), i.e. for money, personnel, prestige and even for students takes place within and between HEIs, mostly on "quasi-markets" where performance evaluations, i.e. competitive processes, by peers substitute the demand pull from customers (Mora and Vieira 2007; Schimank and Lange 2009: 59). Varying in path, speed and intensity, each HE system entails a specific mixture of these five mechanisms at a particular point of time. These dimensions are thus present in institutional governance practices, impacting on decision-making process and are shaped by several forces and dynamics.

2.9 The Bologna Process and the NPM: Linking a Blurring Boundary

It has been argued here that under the guise of the Bologna process, national governments have been legitimising reforms in their HE systems, even when these do not (exclusively) belong to

the Bologna domain. And, such as it has happened with the public sector, also HEIs have seen shifts in their steering procedures:

> "(…) not so much as a result of a distrust in the efficiency of the universities to run their own affairs per se, but rather as a consequence of the shift from input control to performance control of public institutions, based upon the general belief that public institutions perform better when they are in competition with each other and private sector organizations" (Gornitzka et al. 2007: 189).

Competition, the ethical centrepiece of neoliberalism (Neave 2009: 30), has become one of the buzzwords of HE "reform discourses" and it is, probably, the most used word to justify the creation/existence of the Bologna process. And, although the Bologna declaration does not explicitly refer to economic objectives, it is now acknowledged that there is a market ideology moving the process further – if by no other reason, than the ambition to transform Europe into the most competitive knowledge-based economy in the world, as claimed in the Lisbon strategy. In this sense, several authors suggest that the *Lisbon project*, strongly supported by the EC, prioritises economic issues over social and academic concerns and it is therefore embedded in neoliberal ideology (Radaelli 2003; Amaral 2005; Antunes 2006; Neave 2009; Cachapuz 2010; Mota 2010). This ideology gains applicability and consistence through the *soft law* methodology, incorporated by the OMC which entails (all) the NPM ingredients, e.g.: management by results and objectives (introduced in the Finnish HE system in the 1990s), self-evaluation, diversification of funding sources, peer-review and external mechanisms for monitoring and accreditation, flexible forms of regulation oriented towards increasing effectiveness, etc. Thus, it can be said that through different strategies and at different paces, both the NPM practice and the Bologna process push universities towards increasing competitiveness. As Stromquist (2000) states: "The diffusion of ideas concerning school 'efficiency', 'accountability', and 'quality control' – essentially Anglo-American constructs – are turning schools all over the world into poor copies of romanticized views of private firms. Moreover, these notions are being applied with little understanding of several important cultural dimensions" (2000: 262).

This view goes much in line with the vision of the University as an enterprise that needs to operate in competitive markets while simultaneously works as an instrument for supporting government interests. These, in turn, have been dictated by a supranational agenda (J. P. Olsen, 2005), as it is the case of the Bologna process. And, in this context, education and training should be a major responsibility of the student, and therefore the state is no longer the main responsible for what and how institutions teach. In the Bologna logic (and according to the Commission's view), education is now seen as an accumulation of knowledge and/or competencies to be negotiated in a wider space than before, where the market instructs institutions about what should be transmitted to students (Mota 2010). This, wrote the author, transforms universities into companies' appendices.

Following this, Gornitzka (2007) refers that since the moment the EC became a full member of the process, it also *adopted* the discourse of the knowledge economy to set concrete and quantifiable targets for collective achievements in relevant policy areas. Consequently, and although attention to quality assurance was initially pushed aside for a while, this is a policy area which has gained renewed attention with the Bologna process, especially after the Berlin Communiqué in 2003. In fact, aiming at improving European HEIs quality, i.e., under the argument that in an increasing competitive environment, institutions urgently need to *modernise*[33] and improve the quality of what they *deliver*, it is possible to witness a growing use of performance indicators as governance tools and to see that quality assurance labels have gained extraordinary importance (Hartmann 2008: 214). Therefore, as pointed out by Hartmann, independently of national quality control mechanisms, institutions may ask to be evaluated by other international quality assurance and accreditation agencies. As the author explains, this is possible because, overall, quality assurance agencies benefit from the "EU credo of freedom of establishment" (*ibid*) and thereby they can easily offer their services throughout the EU, although this is not a linear process and each country has its own regulations for this.

It should be mentioned here that pressures for institutional efficiency, accountability and quality control have also been legitimised by the OECD normative discourse on national HE policies, as well as by the development of international benchmark and good practices (Ferlie et al. 2008; Kallo 2009). In fact, Gornitzka (2007: 161) goes further and states that the OECD must be seen as a core international site where the idea of the knowledge economy has been pushed. Indeed, if one looks at the OECD (and other international entities) as diffusion agents of public management reform, it is understandable why certain reforms circulate internationally while others remain local/regional (Ferlie et al. 2008: 343).

In a similar logic, the Bologna process was successful at driving attention to quality issues. Or, by other words, it created *awareness* in measuring and verifying the knowledge (and how it is) transmitted within institutions of HE. And, as it happens with the Bologna process itself, which involves multiple actors at various levels of action, the use of quality assessment standards (not only within the HE sector) is a process that also goes through a multiplicity of actors (e.g.: national governments, national agencies, HEIs and academic associations, international organisations,

[33] The word "modernise" is written here in italics because the researcher has certain doubts about whether the Bologna process really creates modernisation (in the sense the meaning of the word is understood by the researcher) within the HE sector. We share from Mota's (2010) opinion who refers that the modernisation of the state apparatus can not be only measured by a *simple* reduction of costs, with all the implications this entails for the higher education sector (e.g. reduction of years of study, reduction of the overall theoretical lectures, reduction of professors, etc.).

professional groups) who put them into practice (Gornitzka et al. 2007). Consequently, all these *quantified standards* and performance indicators are being used as an alternative to *hard law* (the traditional Community method) and they dictate a new way of governing institutions, as they have been formalised and moved out to an academic and political-administrative arena (Gornitzka et al. 2007: 203).

Also Fátima Antunes (2006: 71) argues that the emphasis on accountability (typically inspired by the NPM discourse) suggests a new form of regulation *prescribed* by objectives. In turn, these are carefully monitored by means of numerous national reports full of performance indicators, scorecards, tables of comparative performance, etc. There is an extensive range of instruments, procedures and control methods carried out by external entities which contrasts with the (virtual) absence of responsibility towards the actors involved in the definition and implementation of national educational policies (2006: 71).

Based on the investigation carried out by Dale (1997), Antunes (2006) illustrates this way of regulation based on results (outcomes) with those assessment exercises like PISA[34] studies. As explained by the authors, these dynamics of governance help to understand why despite different national HE agendas, the OMC "naming and shaming" logic creates change: governments will move efforts to conform to common goals due to reputational reasons. As such, this "numerical information" on institutional performance spreads out to attract *talent* and *excellence* to institutions, putting pressure on low performers ('laggards') (Veiga and Amaral 2009). At the same time (and at least theoretically) this will enhance the attractiveness of the EHEA (one of the earliest objectives of the Bologna agenda) and to position HEIs in the education sector *market* so that paying students will be attracted to Europe instead of going to the US. Nevertheless, as the literature has demonstrated, there is a strong criticism against this *worship* to US HE system and the loss of European diversity. Furthermore, there is also a common disbelief whether the Bologna structure can, in fact, contribute to an *effective* knowledge economy, once it pursues the acquisition of an immediate, volatile knowledge instead of deep and substantial learning (Mota 2010).

In addition, and in order to successfully implement the Bologna guidelines and "to make their full contribution to the Lisbon Strategy" (COM 2005), the EC advocated the need for HEIs to strengthen management and leadership, while simultaneously encouraging them to become more autonomous and less dependent on state regulation[35]. As a matter of fact, since the 1993 White

[34] PISA (Programme of Student International Assessment) was created in 2000 by the OECD and is repeated every 3 years in order to assess how far students near the end of compulsory education (15 years old teenagers) have acquired some of the essential knowledge and skills for full participation in society (PISA website 2013).

[35] Martens and Wolf (2009) state that "by involving the commission in the Bologna process

Paper on *Competitiveness, growth and employment – the challenges and ways forward into the 21st century*, the EC (and the Council of the EU, since December 2007)[36] has been adopting a discourse (and practice) to enhance institutions *modernisation* by promoting quality assurance, efficiency and flexibility, by means of diversification of their funding sources, adapting their legal frameworks, establishing structured partnerships with the business community and reform curricula and teaching methods so that students acquire "(…) skills and competences necessary to succeed in a globalised, knowledge-based economy" and which "(…) enhance directly the employability of graduates (…)" (COM 2006: 6-8). Nevertheless, as António Cachapuz (2010: 6) reminds and most of the interviewees confirmed, it is important to notice that institutional autonomy is frequently hindered by all the bureaucracy at the supranational (and institutional) level, which was increased by the Bologna process. Moreover, there is certain confusion between cooperation (a process which happens at the horizontal level) and coordination (a vertical and supranational process). In fact, full institutional autonomy should be understood as a public service (only in this way national governments can contribute to a global knowledge-based economy) and it necessarily implies shared responsibility between the state and the educational community (Cachapuz 2010: 7; Mota 2010).

The emphasis on the use of private sector logic in the public sector, and this idea that the functions provided by the public sector should be reallocated to the private domain, affects the way knowledge is organised and provided within HEIs. One can witness trends towards more market-oriented HE systems, and therefore a growing concern with economic interests that dictate what is "more relevant", more "employable" and more likely to create economic growth (and preferably within the shortest possible time). These changes in institutional governance make us reflect on how far it is possible to *prioritise* and/or *measure* (the importance of) knowledge, and whether is possible to do that based only on an economic rationale. And who determines the organisation (governance) of the main building block of HE and how its quality is assessed? (*quis custodiet ipsos custodes* – who nominates and appoints evaluators; who guards the guards)? And which are the implications in the structure and organisation of human resources within HEIs?

It is thus difficult to establish frontiers/borders between these HE dynamics. The literature shows and confronts us with the difficulty in separating the reforms that were initiated under the aegis of the NPM doctrine, namely the introduction of the OMC, from the activities that were developed under the Bologna process, and later on by the specific political ambition agreed upon

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while trying to control it at the same time, governments paid the double price of making education an economic issue and spreading new modes of governance which weakened their own importance" (2009: 91).

[36] In 2007, the Council of the European Union adopted a resolution urging measures to modernise universities to in make them drivers for the European competitiveness.

the 2000 Lisbon strategy. From the researcher's perspective, and as a multi-actor and multi-level process, the implementation of the Bologna declaration, and more specifically the changes initiated (and continued) under this reform include the five governance dimensions provided by Schimank and Lange 2009. Although the EC (as well as other partners) has taken the leading role concerning the unfolding of the Bologna process, and despite pressures for privatising tasks, which used to be the competence of national governments, the state (ministries of education/HE) is still the ultimate actor when it comes to prescribe behaviours. It has the power to draft and put into practice legislation which determines (to a certain extent) internal governance and management structures. Indeed, while the OMC leaves policy implementation in the hands of national governments, the EC is responsible for monitoring the progress of the member states (Veiga and Amaral 2009). A good example of the freedom of manoeuvre that nation-states have is the case of Spain, which decided to adopt a 4 years first cycle degree instead of the common 3+2 model.

In addition to the implementation of supranational decisions, the state is expected to act as a negotiator and a *guardian* protector of the national interests. Nevertheless, one needs to remember cultural differences and member-state's specificities. Finland is characterised by being a country with a strong social welfare state and it is therefore expected that the government has a firm grip when it comes to implementing change. Portugal distances itself a bit more from this governance model. Traditionally, (public) Portuguese HEIs have a high degree of autonomy when compared to their Finnish counterparts.

In the middle of the process, institutional management becomes strengthened and leadership assumes paramount importance, accompanied with an increase in the number of mid-level positions. Also Antonio Magalhães and Amaral (2007) have verified that in Portugal, due to an increasing adoption of managerialist values, there has been strong criticism against the presence of students in decision-making bodies. One of the most visible faces of this dimension of governance, stakeholder guidance, is the establishment of quality assurance agencies, which have the advantage of facilitating the recognition of qualifications, but also the Europeanisation of the evaluation through intermediary organisations (Hartmann 2008: 214).

In both HE systems, competition for resources is high, especially when institutional performance became the focus of attention and performance-based mechanisms for allocate funds start to be used.

III
Making Sense of Organisational Change

> "(…) institutions matter because they are seen, inter alia, as the points of crystallization of social forms, as defining the rules and resources of social action, as defining opportunity structures and constraints on behaviour, as shaping the way things are to be done if they are to be done, as path-dependent path-defining complexes of social relations, as the macrostructural matrices of societies and social formations, and so on" (Jessop 2001: 1217).

This chapter brings together literature on organisational adaptation and on institutionalism framed in a global and international setting where HEIs operate. A brief overview of the origins and developments of institutional perspective is provided in order to better understand how it has been applied in the field of HE policy and governance. It draws extensively in new institutionalism as well as in other theoretical contributions of HE policy change and policy implementation.

This part of the theoretical framework portrays the interaction between institutions, and the specificity of HEIs, the institutional setting of national HE systems, and actors – the organisational actors in national HE policy. This will help to understand the importance of the individual and the institutional contexts, as well as the influence of larger environmental factors such as culture, social norms, and conventions have in the processes of policy change and institutional decision-making (Koelble 1995: 231-232).

3.1 Policy Change and Policy Diffusion

The rise of the new governance means that the state increasingly depends on other actors to deliver services and coordinate policies to deal with the new and complex societies (Bevir 2009), where the local and the global interact in dynamic processes of structural change (Newman 2003: 3).

Policy networks refer to a specific area of public policy (e.g. HE policy, agriculture policy) and, like policy networks, are fairly stable. Bevir (2009: 141) explains that whereas policy networks focus on generating policy in a specific area, intergovernmental networks concentrate more on administration and especially policy implementation. Therefore, actors in intergovernmental networks are state actors and may include different levels of government – local, regional, and national bodies. Networks can serve as a source of information, resource dependence, trust,

collusion and/or reciprocity among the members of the networks (Fligstein and Doug 2010). Olsen (2005) refers that the idea of change underlying supporters of network organisation (or even market organisation) share the belief that existing institutions and organisations survive because they work better than their alternatives as well as provide better and more and/or different services.

It is challenging to draw a distinction line between *policy change*, *policy implementation* and *institutionalisation of change* and/or new policies. As Fullan (2000) refers, policy change goes hand in hand with policy implementation. Mazmanian and Sabatier (1983) define implementation as "the carrying out of a basic policy decision, usually incorporated in a statute but which can also take the form of important executive orders or court decisions. Ideally that decision identifies the problem(s) to be addressed, stipulates the objective(s) to be pursued, and in a variety of ways, 'structures' the implementation process" (1983: 20 *in* Hill and Hupe 2014: 7).

Even if it is analysed at different stages, and by different professionals, it is difficult to assess which factors, conditions and/or variables facilitate or allow for successful policy implementation and change institutionalisation. By other words, change processes (can) originate from a variety of sources and their combination. Additionally, one needs to remember that success of change processes (or their lack) depends on the national and institutional context and complexity of analysis, political, cultural and social environments as well as on the economic situation of the study objects. Referring to change processes in schools, (Fullan 2007: 84) refers that educational change is technically simple but socially complex and therefore actors need to have a shared meaning of educational change, and the commitment to pursue it.

Some authors tend to distinguish *policy change* from *policy reform* as the terms are often used interchangeably in the literature. As Cerna (2013: 4) puts it, whereas *policy change* refers to incremental shifts in existing structures, or new and innovative policies, *policy reform* usually refers to a major policy change. However, based on the work of Michael Fullan (2000), Cerna (2013) refers that reform as an intentional intervention through policy may or may not generate change.

On policy change, Cerna (2013: 6-7) points to *policy learning* and *policy diffusion* as important elements of policy change. Policy learning highlights that countries, regions and systems can change policies by learning from others and hence shifting their beliefs. However, the author draws attention to the difficulty to operationalise and measure the concept of learning in general due to its complexity as it includes three processes: learning about organisations, learning about programmes, and learning about policies (e.g. government learning, lesson-drawing and social learning according to Bennett and Howlett 1992: 289 *in* Cerna 2013: 7). Similar to policy learning, policy diffusion is a process in which policy innovations spread from one government to another. It is possible to say that policy diffusion *works* in a similar way to the process of layering and/or sedimentation, i.e.

knowledge about policies, governance, management and administrative practices and institutions in one time and/or place is used in the development of policies, administrative arrangements and institutions in another time and/or place" (Dolowitz and Marsh 1996: 344). Tolbert and Zucker (1996: 184) explain that complete institutionalisation involves sedimentation, a process that fundamentally rests on the historical continuity of structure, and especially on its survival across generations of organisational members. Therefore, to fully understand the process of sedimentation, one needs to identify the factors that affect the extent of diffusion and the long-term retention of a structure (cf. previous chapter).

According to Shipan and Volden (2008) there are four mechanisms of policy diffusion: learning from earlier adopters, economic competition (among proximate cities), imitation (of larger cities), and coercion (by state governments). As the name itself suggests, policy-makers, HE systems and institutions, can learn from experiences of others (e.g. governments, institutions, etc.). Thus, if an adopted policy elsewhere is deemed successful, then another country/system/institution might also implement it.

The second mechanism, economic competition, can lead to the diffusion of policies with economic spillovers across jurisdictions, state welfare policy being a classic example of this type of policy diffusion (Shipan and Volden 2008: 842). Policymakers consider the economic effects of adoption (or lack of adoption) by other governments. In this way, if there are positive spillovers, governments are more likely to adopt these policy rather than others whose outcomes are unknown or proved to have negative spillovers (*ibidem*). Following this, Olsen (2005: 21) states that the reforms imposed on developing countries have often been justified by crises, although the standard prescriptions are also used when such problems do not exist. In fact, Reich (1995: 49) argues that the enactment or non-enactment of reform is often associated with regular political events or political crises; a fact which explains why reforms can have significant consequences for a regime's political stability.

The third diffusion mechanism - imitation, is sometimes also referred to as emulation, and it involves "copying the actions of another in order to look like that other" (*ibidem*). The process of imitation can be seen or understood in contrast to learning. In learning, the focus is on the policy itself: how was it adopted, whether it was effective, and what were or might be its political consequences. In turn, when diffusing policies through imitation, the focus lays on the other government: what did that government (system; institution) do and how can the other governments do the same? The crucial distinction between both processes is that learning focuses on the *action* (i.e., the policy being adopted by another government – one learns about consequences), while

imitation focuses on the *actor* (i.e., the other government that is adopting the policy – one aspires to be like the other actor).

The last mechanism of diffusion – coercion – differs from the previous three, which are voluntary (Shipan and Volden 2008: 843). Countries can coerce one another through trade practices or economic sanctions, either directly or through international organisations, such as the OECD, the IMF, the World Bank, the EU, etc. (*ibidem*; Olsen 2005).

Table 3 - Mechanisms of Policy Diffusion elaborated by Shipan and Volden (2008)

Voluntary	Involuntary
- Learning from earlier adopters	- Coercion
- Economic competition	
- Imitation (Emulation)	

Table 3 summarises the four mechanisms of policy diffusion as elaborated by Shipan and Volden (2008). The researcher considers pertinent to refer here to this analytical tool because it allows us to analyse change through a broader spectrum while complementing the organisational perspectives of institutional change. As we shall see later in this chapter, institutionalism has been a useful framework for the study of international diffusion of governance structures in HE. Moreover, national characteristics and traditions, like political constraints and/or ideological preferences, can condition policy diffusion, such as domestic politics (Meseguer & Gilardi, 2009). For example, by "profiling" and historically tracking both Portuguese and Finnish HE (cultural) settings (cf. Chapter IV), it is expected to better understand in what ways national characteristics conditioned the HE reforms analysed here. Also, as earlier noticed by Sabatier (1988), changes in the main aspects of a policy usually result from shifts in external factors such as macro-economic conditions, changes in governments (as Portugal exemplifies) and/or the rise of a new systemic governing coalition. Nevertheless, it is still unclear why some policies diffuse faster than others or why regional patterns of policy diffusion vary considerably (Meseguer & Gilardi, 2009).

Although institutional change does not (necessarily) imply policy change, there are some overlapping points between both processes. The process of policy-making has become increasingly complex: actors move between different levels of action and authority is dispersed across multiple tiers, i.e. international, national, or regional (Hooghe & Marks, 2001). Government reforms can be seen as integral parts of ongoing processes of change where policies of governments can be a response to change as well as a source of change (Gornitzka, Kogan and Amaral 2005: 9; Cerna 2013: 7). Following this, Fumasoli and Stensaker (2013: 482) refer that organisational change in HEIs is observed because of changes in the environment, specifically due to policy reforms. Institutional change may be externally imposed through the introduction of legislative frameworks,

but it might also happen by means of assuming new identities and self-understanding, resulting in changes of norms and values, practises and repertoires used by the universities to refer to themselves (Nokkala 2007). In order to understand the behaviour of the universities it is important to consider the nature of the University as a social institution, constrained and constituted by the social context as well as the internal institutional logics (Scott 2001; Nokkala 2007). HEIs are thus assumed to be adaptive organisations and/or reactive complex systems responding and adjusting to external shifts. For example, changes in national and international funding schemes and in HEIs' governance led also to shifts in scientific research systems (Whitley and Gläser 2014). Streeck and Thelen (2005) refer that theories of institutional change can be theories of policy change when these are policies that "(…) stipulate rules that assign normatively backed rights and responsibilities to actors and provide for their 'public', that is, third party enforcement" (2005: 12). On their article about organisation studies in the HE field, Fumasoli and Stensaker (2013) state that our understanding of transformations in HE needs to bear in mind the following questions: how and to what extent HEIs are changing; how and to what extent policy reforms influence change processes, and how reforms produce intended and unexpected outcomes (2013: 489).

More broadly, Streeck and Thelen (2005: 8-9) refer that widespread change "(…) can be accomplished through the accumulation of small, often seemingly insignificant adjustments (…) to distinguish between processes of change, which may be incremental or abrupt, and results of change, which may amount to either continuity or discontinuity". Based on this, the authors developed a useful typology for institutional change. Table 4 presents the options of institutional change defined by Streeck and Thelen (2005).

Table 4 - Typology of Institutional Change: processes and results

		Results of Change	
		Continuity	**Discontinuity**
Processes of Change	**Incremental**	Reproduction by adaptation	Gradual Transformation[37]
	Abrupt	Survival and Return	Breakdown and Replacement

Source: Adapted from Streeck and Thelen (2005: 9).

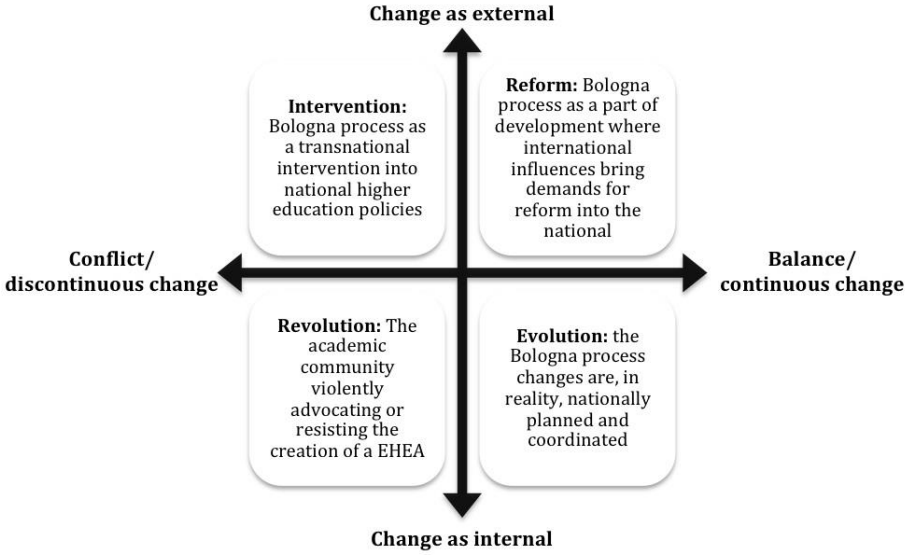
Change that results in discontinuity takes place through abrupt institutional breakdown and replacement (the cell on the lower right). Incremental change also happens. However, according to the authors, it is usually seen as fundamentally reactive and adaptive, serving to protect institutional

[37] Annex number 1 shows Streeck and Thelen (2005: 31) complete table of the five types of gradual transformation in institutional change.

continuity (upper left cell) (Streeck and Thelen 2005: 8). Whereas continuity still happens through and in spite of historical breakpoints, gradual transformation (upper right cell) stands for institutional discontinuity caused by incremental, creeping change (*ibidem*: 9). In turn, fundamental change happens when a multitude of actors switch from one logic of action to another. This may happen in a variety of ways, and it certainly can happen gradually and continuously (*ibidem*: 18).

Following this, the model of Saarinen's and Välimaa's (2012: 55) on the different types of HE policy change adapted to the Bologna process is used. This framework of analysis is useful to locate actors' different viewpoints towards the reform process. The model uses the metaphors of (transnational) intervention, reform, evolution and revolution to illustrate how 'one' process can be seen as many processes.

Figure 1 - Different Metaphors of Change in HE Policy: the case of the Bologna process.



Source: Adapted from Taina Saarinen and Välimaa (2012).

The Bologna process encapsulates several perspectives on change, not only from the perspective of (social and) organisational theories, but also from the interviewees involved in the process, both at the system and institutional levels.

As the authors explain, viewing process of change according to these dimensions (internal or external, continuous or discontinuous) treats change in a definable way. Being an intellectual device to understand change as a result of policy implementation, these metaphors do not aim at assessing whether policies fail or succeed, but rather to illustrate the fact that an education policy field always consists of various actors with conflicting needs. In fact, HE policy is legitimated with a continuous need for change, which makes us question whose view of change becomes the dominant one (Saarinen and Välimaa 2012: 57). The dominant view will steer to the dominant action.

In the first part of this manuscript, it was referred how the origins of the Bologna process can be seen in light of a competitive arena in order to resemble European HE to Anglo-Saxon and Asian HE systems in order to enhance a knowledge-based economy. Simultaneously, the EU has gained increased leverage in national educational policies. In this way, the Bologna process can be seen as a transnational intervention into the traditional monopoly of nation-sates as definers of national educational systems (Saarinen and Välimaa 2012: 56). This view goes much in line with the understanding of the Bologna process as an outcome or as a tool of neoliberalism (*ibidem*). As we have argued, the Bologna process, while being the most visible face of the internationalisation and Europeanisation of HE, it entails managerialism practices both at the system and institutional levels. In this construct of change, policy implementation allows for authoritarian interventions (*ibidem*).

The second quadrant positions the Bologna process as a reform (top right corner). As such, a transnational process demands change in national HE systems and consequently, some reforms are then initiated (*ibidem*). This type of metaphor is the one Portuguese interviewees used most to describe change induced by the Bologna process both at the system level and in their institution.

Sharing the same view of Anne Corbett (2006), a third construct is to look at the Bologna process as a natural development or evolution in European HE (lower right corner). It continues the earlier policies and programmes on student and staff mobility and HEIs cooperation. This construct of the Bologna process goes much in line with the idea of sedimentation explained earlier on (cf. Chapter II). Furthermore, in addition to the role of the EU, Bologna appears also as a process steered at the national level, as nation-states have tried to match the objectives of the process with national demands that existed before the process and have (some) freedom and autonomy to decide on several aspects of the implementation process. It is possible to position Finnish interpretations of the process in this quadrant.

Saarinen and Välimaa (2012) refer that the last construct – Revolution – is, for now, something unseen in HE, at least, whether one understands revolution as "(…) a violent bottom-up development of advocating or resisting a policy" (*ibidem*: 56). And, at least in Portugal, despite the strong opposition the process found in the national HE arena, it ended up to be implemented. Nevertheless, as it happens with Olsen's (1988) models of governance, this construct is important as it depicts a possible reality for other policies and allows for picturing hierarchies of power in (higher) education reforms. Moreover, as pointed by the authors, the conflict theoretical metaphor of revolution does not fit easily into HE policy research.

In line with what Hargreaves (1998: 291) and Cerna (2013) argued, these perspectives on institutional change – applied to the *case-studies* – reinforce the idea that "introducing, sustaining and assessing educational change is a political process because it addresses issues of conflict and

representation among multiple actors" (Hargreaves 1998: 291). Also Reich (1995: 49) has previously suggested that reform is political for the following reasons: a) it represents a selection of values that express a particular view of society; b) it has distinct distributional consequences in the allocation of benefits and costs; c) promotes competition among groups that seek to influence consequences; d) the enactment or non-enactment of reform is often associated with regular political events or political crises; and e) reforms can have significant consequences for a regime's political stability (as clearly exemplified by Portugal and Finland…).

3.2 Institutionalism and Organisational Change

This section analyses why organisational institutionalism is a good theoretical ground for the study of HE, especially HE reforms (Ferlie et al. 2008: 273). *Inter alia*, by shedding light on the structures and processes of HE, institutionalism helps us to understand political transformations in organisations and the relationships between institutions and the government, and their internal dynamics (Gornitzka 1999). It can help to identify patterns, analyse problems, and think of the organisation as an open system (Bess and Dee 2008). Thus, change in open systems (and thereby in HE) can be explained by the interaction process between systems and their environment.

The idea of the University as a loosely coupled organisation attempts to provide an image of a more fluid and decentralised institution (Weick 1976). Open and social systems produce social norms and cognitive references (Thoenig 2012). Thus, change in HE can be explained by the interaction process between institutions and their environments. As dynamic tensions and pressures for change are built into institutions, there are different types of institutional change (Mahoney and Thelen 2010: 15). It is this broad mindset that provided fertile soil for the development of the organisational theory while simultaneously made it a tool for developing frameworks for understanding, analysing and leading organisations, such as HEIs. Furthermore, over the past decade, institutionalism has become one of the dominant approaches to the study of European integration (Pollack 2009: 129).

The environments where HEIs operate are frequently associated with the idea of *open systems* (Scott 2001: xiv), which emphasises "(…) the importance of the wider context or environment as it constrains, shapes, and penetrates the organisation". From this perspective, HEIs are viewed as complex organisations, embedded in multiple environments, receiving inputs from and producing outputs for their environments, to which institutions must respond. Within each institution there are independent units, which are separated and/or tied from its environments according to their level of loose or tight coupling (Birnbaum 1989; Scott 2001).

Several perspectives have been developed to analyse and explain how institutions change or why one kind of change occurs rather than other (Scott 2004).

According to Tolbert (1985), contemporary research on organisations has produced a variety of theoretical perspectives, each pointing to different explanatory factors, although empirical research typically draws on a single theoretical approach in explaining particular cases of organisational behaviour and structure. For Tolbert and Zucker (1996), organisations were not conceived as independent social actors and therefore, they were not typically acknowledged as a distinctive social phenomenon worthy of study in its own right despite the key role assigned to formal organisations by Max Weber and the work of Robert Merton in the late 1940s (Tolbert and Zucker 1996).

Institutional theory usually refers to a broad group of perspectives that interpret the relationship between institutions and human behaviour, assuming that not only human actions (i.e. behaviour, perceptions, power, policy preferences, decision-making processes, etc.) shape institutions, but these are also influenced by them. More specifically, institutionalism focuses on the need of organisations to adapt to their institutional environment, such as norms, rules and understandings about what is an acceptable, normal behaviour and that cannot be changed easily and/or instantaneously (Meyer and Rowan 1977; March and Olsen 1984). Organisations take many rules and norms for granted, because they seem obvious or natural. Failure to act in accordance with norms and expectations may lead to conflict and illegitimacy. Olsen (2005: 9) refers that rules provide codes of meaning that facilitate the interpretation of ambiguous worlds and they do not necessarily imply rigidity and inflexibility, being even able to prescribe change. For example, in the EU, with its strong emphasis on legal integration and formal rules, changing patterns of attention, behaviour, and resource allocation have taken place within fairly stable structural frameworks.

As an empirically grounded theory, institutionalism *sees* public institutions through three different analytical lenses: as pillars of political order, as outcomes of societal values, or as self-constructed social systems (Thoenig 2011: 96). It is thus a general approach to governance and social science (Bevir 2009: 210) as it argues that organisations take rules and norms for granted because they seem obvious or natural. Failure to act in accordance with norms and expectations may lead to conflict and illegitimacy. Changes occurring at the institutional field of HE are said to increasingly constrain HEIs. Given this, it is increasingly relevant to analyse the development of institutionalist theories and the way they have been adapted to the HE field.

Amongst the strands of institutional theory, we locate the research object on the new institutionalism[38] approach to institutional analysis of HE. This approach is chosen elected because it allows us to better understand the interaction between institutional contexts (also known as the organisational field) and actors in HE policy at the organisational and national levels (see later on location of the study part). Furthermore, considering that "organizational phenomena are much too complex to be described adequately by any single theoretical approach" (Tolbert, 1985), the new institutionalism approach allows for a mix of combinations to institutional analysis. The researcher agrees with most institutionalists that the new-institutionalism represents an advantage to analyse organisational change and action as fundamentally shaped by broader social and cultural processes (Scott 2001; Lounsbury and Ventresca 2003). Additionally, it is attempted to extract from this perspective (while building it up) possible rationales for the tensions and/or contradictions "(…) between environmental pressures to conform and the need to retain significant elements of national difference and diversity within an increasingly globalised HE system" (Reed, Meek and Jones 2002: xx), and how these tensions affect different actors' behaviour, how do they influence, implement and develop national and institutional *reforms* and strategies, and how governance and management practices have been *redefined*.

The works of Selznick (1948; 1957) and Parsons (1956) are usually considered pioneers in the study of organisations. These scholars theorised on the richness and importance of the institutional environment for organisational structures and processes, e.g. how institutions function to integrate organisations in society through universalistic rules, contracts, and authority (Thornton and Ocasio 2008: 99-100). Throughout the 1970s and 1980s, a new approach to institutional analysis emerged with Meyer and Rowan (1977), Zucker (1977), DiMaggio and Powell (1983) and Meyer and Scott (1983) who stressed the role of culture and cognition in institutional analysis (Thornton and Ocasio 2008). Scott (2004) refers that both Selznick and Parson viewed organisations not only as technical production systems but also as adaptive social systems attempting to survive in their environment. This is why that, although institutionalism is not entirely new (March and Olsen 1984: 738), the *new* institutionalism proposes new orientations with respect to organisations. In addition to the technical elements and resources, these institutionalists argued that organisations must consider their "institutional" (internal) environment: regulative, normative, and cultural-cognitive features that

[38] The term new institutionalism was coined by March and Olsen in 1984 to distinguish it from both the approaches to public administration theory in the United States and administrative science in Europe. The label "new" accounts mostly to note that there was an "old institutionalism" which was *updated* regarding the way institutions are seen and studied in political science (March and Olsen 1984: 738).

define "social fitness", i.e. rational myths, knowledge legitimated by education, professions and legislation as *shapers and influencers* of organisational practices and structures (Powell 2007).

Modern governance largely occurs in and through institutions, under the influence of the actors who exert power and mobilise institutional resources, political relationships and *struggles* (Bell 2002). In fact, governance theories draw on institutional theory to better grasp power-dependent relationships and organisations in the processes of policy design and implementation and in decision-making dynamics. Institutions can also play an important role not only in reducing transaction and information costs and various associated forms of market uncertainty, but also in helping to monitor and enforce contracts and/or agreements (*ibid*: 3-5). Nevertheless, because *influencing and shaping* institutional dynamics does not explain *all* institutional phenomena and actors' preferences, institutionalism is considered a 'middle-range' theory as change can be derived from other sources. Thoenig (2012) points to structural forces influencing institutions' life, such as globalisation, international economic and political agendas and pressures on national structures. For example, governance structures look at the environment in terms of the internal strategies to adapt or to minimise the influence of surroundings upon organisations, e. g. change within HE can be seen as an organisational response to market dynamics (Ordorika 2014). Also cultural factors, institutional capacities and relationships among actors are factors that *shape behaviour*.

According to Lounsbury and Ventresca (2003: 458), new institutionalism is explicitly anti-reductionist and rejects the causal primacy of efficiency or narrow self-interest, in contrast to such perspectives as resource dependence (Pfeffer and Salancik 1978), transaction cost analysis (Williamson 1975) and organisational demography (Hannan and Freeman 1977), which focus on concrete exchange processes within and between organisations. These approaches are related to and complementary to institutional analysis. For example, the transaction cost theory developed by Williamson in 1985 (based on the work of Coase 1937 – *in* Scott 2004: 6) argues that all transactions of goods and services are costly, but some are more costly than others. As such, the organisations' role is to deal with transaction costs that markets are ill equipped to handle (Scott 2004). In fact, literature on economic theories has pervaded governance ideas by focusing on regulatory and related arrangements for the governance of markets, either at the domestic or at the international levels (Fligstein 2008). Fligstein (2008: 17) argues that even if the term governance is not always explicitly recognised in these economic theories, they typically offer solutions for public policies dilemmas in relation to the governance of economic transactions, which is surely an aspect of governance.

Also the resource dependence theory formulated by Pfeffer and Salancik (1978; 2003) stresses the benefits of adaptation to the environment, although it conceives environments as political and economic systems (Scott 2004). As the name itself suggests, the resource dependence theory

explains how organisations react in presence of a scarcity of resources in the environment. It focuses on power-dependence and uncertainty relations: organisations must exchange resources to survive, but if these exchanges are imbalanced there will be power differences. This perspective shares with open systems theory the idea that organisations are flexible and perceived as reactive once they interact with their environments. In this way, organisations are dependent on their environments to search for key actors in order to gain more resources. Simultaneously, they strive to attain effectiveness and efficiency in the pursuit of objectives that are important both for these actors and for the organisation. This mutual interaction is easier to understand if one looks at other organisations as part of the environment where a specific organisation tries to adapt itself, and thereby, during the process of adaptation and interaction, it will react to the outcomes brought by these changes. Starting from the assumption that environmental transformation induces organisational change, the emphasis of this perspective lays not only in understanding how organisations relate strategically to other social actors in their environment. It tries to put forward the rationale on how organisations make active and rational choices to manage their dependency on those parts of the environment that control vital resources (Gornitzka 1999: 7). As such, in order to create survival strategies, HEIs have to take into account both its internal and external environments. Nevertheless, interdependence can lead to conflict and uncertainty, which in turn leads to changes in the relationships between organisations. Pfeffer and Salancik (1978) point out that, as organisations become mutually dependent and work to ensure themselves a sufficient flow of resources they try to manage their interdependence with other organisations while maintaining as much discretion as possible. By doing this, they try to reduce the uncertainty created by dependence on others. Nevertheless, as the authors refer, it is important to notice that when organisations try to adapt to the constraints imposed by interdependence and conflict relations, they tend to merge or create joint ventures, which might contribute to an increase in the homogeneity levels among organisations (Pfeffer and Salancik 1978).

Both the resource dependence theory and the new institutionalism perspective create conditions, which allow "(...) to predict the likelihood that organisations will resist or conform to institutional pressures and expectations" (Oliver 1991: 146). The resource dependence approach resembles to a rational actor model of decision-making in organisations, albeit one in which the actors' behaviour is based on calculation aimed at maximising power and autonomy rather than pure efficiency (Tolbert and Zucker 1996). Additionally, this approach implies the existence of predictability and reduction of uncertainty factors in institutional behaviour when facing a situation of resources scarcity.

In parallel, organisational ecology was developed as an alternative perspective to study the interaction between organisations and their environment through a model of natural selection of organisational populations. Hannan and Freeman (1977; 1989) argued that previous theories exaggerated the extent to which individual organisations are able to undergo fundamental change and therefore attention should be placed not on a single organisation but rather on "populations" of organisations, i.e. organisations of the same type that compete for resources in the same environmental niche. This is so because fundamental change typically involves the replacement of one type of organisation with another (Scott 2004: 6). Scott (2004) refers that operationally, scholars focused on organisations sharing the same form or archetype, exhibiting a similar structure, and pursuing similar goals. Thus, and in line with historical views, when a given organisational form arises at a particular time, combining in a distinctive way existing technologies and types of social actors, it tends to persist with little change through time. However, in an organisational environment, certain types of organisations will survive while others will die. The changes of survival are greater the more the organisation fits the environment's specific characteristics (Hannan and Freeman 1977: 943). Based on this assumption, the authors inquired "Under a given set of environmental circumstances the fundamental ecological question is: which forms thrive and which forms disappear?" (*ibidem*: 949). Similarly to the resource dependence perspective, the population ecology of organisations theory defends that, in a situation and/or environment of scarce resources, some organisations will be able to fit better to their environment than others and consequently they will survive, especially "(…) if they hedge their bets by seeking a wider variety of resource bases" (*ibidem*: 956). The organisational ecology theory encloses some specificities worth to be referred, namely the focus on the *species*' natural selection rather than on the adequacy of organisations. Additionally, it emphasises the inability of organisations to be adaptively managed. This happens, not because managers could not effect organisational adaption, but because they could not do it quickly enough (Greenwood et al. 2008: 3). By providing significant contributions to the understanding of the process of homogenisation that occurs in organisations, the organisational ecology theory broadens our understanding on the ways in which new types of organisations arise, grow, compete, and decline over long periods of time (Hannan and Freeman 1989). Briefly put, institutional theories after the 1980s (new institutionalism period) find consensus about the fact that institutions are created to produce local social orders, that they are social constructions with more or less defined powerful groups who create rules of interaction and maintain unequal resource distribution and that, once in existence, both constrain and enable actors in institutionalisation processes and institution building (Fligstein 1999).

Examples of studies in HE using these research perspectives focus on the analysis of public and private organisations, namely by emphasising that many public services are not exclusively delivered by government, but by networks of actors from the government, private and voluntary sectors. These networks coordinate and allocate resources, and represent an alternative to the market or the state and not a hybrid form of these actors (Van Kersbergen and Van Waarden 2004: 148).

Research on the influence of organisation studies in HE policy research started with Burton Clark (1970; 1972) case studies on selected HEIs in the United States (Fumasoli and Stensaker 2013), with Cohen et al. (1972) famous "garbage can model" on universities' decision-making processes, and with Cohen and March (1974) description of universities as "organised anarchies". Major research topics analysed through institutional lenses have been changes in institutional governance, in decision-making practices and patterns of leadership, in the roles of academic leadership, in the funding models of HE, in the challenges facing the academic profession, the rise of managerialism, the institutionalisation of policy design and implementation processes, and the (different) effects on the functioning of HEIs and institutional autonomy (Witte 2006; Veiga 2010; Carvalho and Santiago 2010a; Fumasoli and Stensaker 2013; Carvalho 2014).

At this stage, a note should be included to refer that the concept of *institution* is not synonym of *organisation* (Scott 2001: 48), although it is common to see in the literature the word organisation and institution being used interchangeably[39]. However, under new institutionalism, institutions are seen as different from organisations in the sense that the set of norms and culture that constitute an institution are not only associated with the organisational processes of an organisation (Scott, 2001) but include influencing institutional actors' actions and vice-versa in a way that organisations cannot (March and Olsen 2005)[40]. Streeck and Thelen (2005) argue that the nature of institutions is defined "(…) by continuous interaction between rule makers and rule takers during which ever new interpretations of the rule will be discovered, invented, suggested rejected, or for the time being, adopted" (2005: 9).

[39] Hodgson (2006) distinguished between *organisation* and *institution* by referring that "*Institutions* are systems of established and embedded social rules that structure social interactions" and "*Organizations* are special institutions that involve (a) criteria to establish their boundaries and to distinguish their members from nonmembers, (b) principles of sovereignty concerning who is in charge, and (c) chains of command delineating responsibilities within the organization" (2006: 18).

[40] As sociological institutionalists, March and Olsen (2005) wrote that "an institution is a relatively enduring collection of rules and organized practices, embedded in structures of meaning and resources that are relatively invariant in the face of turnover of individuals and relatively resilient to the idiosyncratic preferences and expectations of individuals and changing external circumstances"

The importance attributed to the significance of institutions lays in its centrality underlying different institutional approaches, which look at institutions as vital to discern the "significance of existing structures, histories and dynamics for understanding political transformations" (Olsen 2002: 925). Considering that the use of institutional theory in HE allows to better interpreting HEIs' behaviour, their actors, and interactions between these Universities and polytechnics are viewed as institutions rather than as organisations, and therefore not focusing so much on issues related with management, control and success. Furthermore, as clarified by Marilena Chauí (1999), "The University as a social practice is *'based upon the public recognition of its legitimacy and of its attributions which grant its autonomy in relation to other social institutions, being structured by its own internal ordinances, rules, norms and values of recognition and legitimacy*'" (*in* Amaral and Magalhães 2003: 247). As social institutions, modern universities conquered their legitimacy not only from the idea that knowledge is autonomous from religion and the state and therefore inseparable from the ideas of education, reflection, creation and critique (*ibidem*), but also on the institutional "taken for granted" rules and behaviours. One can say that HEIs evolved and persist as a way for society to preserve and disseminate knowledge, especially nowadays when they have an unquestionable role in the creation of the so-called knowledge economies and societies. It is this instrumentality that positions the university as a social institution rather than as a "social organisation", based on concepts of management, control and success. In turn, organisational practices based on these concepts impact on institutional structures and on the behaviour of top-management, faculty, staff and students (see also Cohen et al. 1972). Also Meyer and Rowan (1977) argued that education is both a central feature for society as an institution *per se* and simultaneously an instrument to the needs of society and labour.

Another point to bear in mind is that institutions provide an environment consisting of routines, images and information, which can enhance the capabilities of individuals. Accordingly, institutions provide a structured environment consisting partly of routinised practices that can augment individual capabilities, making the institutional whole to be more than the sum of its individual parts (Hodgson 2008: 33).

3.3. The New Institutionalism

Attention to organisations and to their effects on social life, i.e. working systems productivity and efficiency, emerged due to changes in social structures associated with industrialisation and bureaucratisation (Scott 2004). Organisational studies emerged then as an interdisciplinary recognised field of social scientific study during the 1950s (*ibid*).

Scott (2004) divides the field of organisational studies in two main periods. These two periods can be considered the old and new institutionalism. This section focus mostly on the new-institutional perspective and it is mostly drawn on the work of Diogo, Carvalho and Amaral (2015).

The 1990s witnessed the rise of the new institutionalism (Bevir 2009: 111), with a renewed focus on *individuals* based on the rules and *logic of appropriateness*, and on the actor-centred institutionalism perspective developed by Mayntz and Scharpf in 1995 (Thoenig 2012: 135). In addition to the technical and institutional environments, new institutionalists draw attention to the role of symbolic elements – schemas, typifications, and scripts that perform an important, independent role in shaping organisational structure and behaviour (Scott 2001).

New institutionalism deals with the inner functioning of institutions, the sources of differences between institutions, and their internal changes (Bevir 2009: 111) and sees politics and governance as important "social rituals" (March and Olsen 1984: 742). The old institutionalism is considered somewhat "theoretically anaemic" (Bell 2002) and, in the researcher's view, somehow myopic for analysing changes in HE dynamics. The new institutionalism attempts to bridge this anaemia by focusing on explicit theory building and on how institutions interact with structural forces in politics and the economy (Bell 2002).

The new institutionalism questions how actors' behaviour is shaped and conditioned by the *institutional contexts* in which they operate (Bell 2002). The institutional context is defined as the widespread social understandings that define what it means to be rational – *rationalised myths*, as "(…) the rules, norms and ideologies of the wider society" (Meyer and Rowan 1983: 84). Being pluralistic and inconsistent, institutional contexts do not react similarly to the same *institutional pressures*. The institutional context both regularises behaviour and provides opportunity for agency and change (Thornton and Ocasio 2008: 102). The institutional environment works in a twofold way: it both enables and limits institutions and actors' possibilities and opportunities. Ultimately, institutions are important in providing actors with behavioural incentives and disincentives, with normative codes that shape their behaviour and preferences and with (power) resources (Bell 2002). In fact, it is this theorisation on organisational fields (Bourdieu 1977; DiMaggio and Powell 1983), sectors (Meyer and Scott 1983), or strategic action fields (Fligstein and McAdam 2011) defined as the set of "organizations that, in the aggregate, constitute a recognized area of institutional life" (DiMaggio and Powell 1983: 64) that makes new institutionalism to stand out among other perspectives of organisational behaviour.

By conceiving institutions as "entities" that structure fields and help to guide actors through the muddle around them, they define who was in what position in the field, give people rules and cognitive structures to interpret others' actions, and scripts to follow under conditions of uncertainty

(Scott and Meyer 1983; DiMaggio and Powell 1983; Fligstein 1997). The advantage of this unit of analysis is that it focuses attention no only in competing organisations and/or institutions (e.g. other HEIs – as the population ecology theory does), but in the totality of relevant actors (DiMaggio and Powell 1983: 65). The environment and/or the organisational field of HEIs consist of technical and social/cultural elements. Technical environments include resources, information and know-how (knowledge) and markets (or, depending on the circumstances, market niches). Social and cultural environments encompass values, norms, beliefs and policies of the larger society (Scott 1992; Clark 1983). In turn, these environments such as values, norms and policies play a crucial role in institutional decision-making practices (DiMaggio and Powell 1983).

What is regarded as reasonable or appropriate and the means used to pursue interests are products of socially constructed rules. "Institutional rules invent rationality, defining who the actors are and determining the logics that guide their actions. (…) Where social agency is located –who has the right to take self-determined and self-interested action – is expected to vary over time and place" (Scott 1995: 140). Similarly, on their study of new-structuralism, Lounsbury and Ventresca (2003) have pointed to developments of field-analytic approaches that examine the evolutionary dynamics of logics, actors, practices and governance structures (Thornton and Ocasio 1999). In sum, new institutionalism perspective analysis how fields of action come into existence, remain stable, and can be transformed. The institutionalisation process occurs when rules move from abstractions to being constitutive of repeated patterns of interaction in fields (Jepperson 1991).

These theoretical developments on organisational fields remit us to the importance of analysing institutions beyond their individuals (*agents*). As organisational theory emerged as a management subfield, "(…) conceptualisations of both social structure and organisations became increasingly instrumental, driven by functional imperatives, and animated by the prominence of narrow exchange approaches to behaviour" (Lounsbury and Ventresca 2003: 462). Such developments allowed for a broader conceptualisation of interorganisational relations: from highly rationalistic and instrumental, they include more direct consideration of cultural processes and meaning systems. This shift in looking to organisations with a cultural-cognitive perspective is the greatest contribution of Meyer et al. (1987), DiMaggio and Powell (1983) and DiMaggio (1997) studies.

A complementary *theory* to analyse change in institutional settings is provided by the institutional logics approach (Thornton and Ocasio 2008). The institutional logics approach – the content and meaning of institutions attempts to elucidate on the following question: 'How can actors change institutions if their actions, intentions, and rationality are all conditioned by the very institution they wish to change'? (Holm 1995: 398). As Thornton and Ocasio (2008: 114-115)

explain, this problem of embedded agency is approached by conceptualising society as an inter-institutional system in which logics are characterised by cultural differentiation, fragmentation, and contradiction, and therefore actors wishes and/or logics may not always be compatible with the institution they belong.

The following sections draw upon the three approaches to new institutionalism – as traditionally classified by Hall and Taylor (1996) – to explain why the specific nature of HEIs allows them to endure over time while simultaneously exogenous shocks or shifts prompt institutional change (Mahoney and Thelen 2010: 7). A similar *process* is used in the section devoted to explain institutional change and isomorphism. Drawing on these developments the aim of the theoretical framework is to inform the analysis of the cases and the final discussion, affording a conceptual lens to carry out the empirical investigation and to interpret its findings. It should be mentioned that it is not the objective of this section to debate whether new institutionalism is, actually, a theory or not. The researcher shares Palmer, Biggart and Dick's (2008) opinion with respect to the usefulness of new institutionalism as a theoretical framework for understanding the links between organisational context and intra-organisational dynamics. Nevertheless, as referred by Greenwood and Hinings (1996), the new institutional theory is weak for analysing the internal dynamics of organisational change in the sense that it does not provide sufficient information on why some organisations adopt radical change whereas others do not, despite experiencing the same institutional pressures. That is why we are more interested in depicting the most interesting and useful elements of the three new institutionalism schools of thought for the research in a unified way. In this way, I agree with the recent research of Greenwood et al. (2008) who suggest that institutional research applied to organisational behaviour has evolved over time and the classifications offered by Hall and Taylor should be updated.

3.3.1 The Three Approaches to New-Institutionalism

For Hall and Taylor (1996: 936) there is considerable confusion about what sort of questions the new institutionalism answers to. They argue this confusion can be minimised by recognising that institutionalism does not constitute a unified body of thought, but rather three different but complementary analytical approaches, "(…) each of which calls itself 'new institutionalism'". These three schools of thought are the historical (comparative) institutionalism, the rational choice institutionalism (also associated with the economic institutionalism due to the similarities of both approaches) and the sociological (organisational) institutionalism. All of them devoted attention to the understanding of the role institutions play in the determination of individuals' behaviour, although they explain social, political and organisational world relationships and outcomes in

different ways. As such, the concept of *institution* assumes different meanings in these different types of theoretical approaches. However, the three approaches are connected by their common concern on structures, namely what are structures and where they come from, and the role of institutional actors in the production of structures (Fligstein 2008: 17). Aspinwall and Schneider (2000: 30) provide an interesting point by arguing that the label of historical institutionalism is a "misnomer", because every social phenomenon can be attributed to the influence of history. It is thus the duty of the researcher to be able to differentiate between important and unimportant historical influences.

According to Mahoney and Thelen (2010: 7), these three institutionalisms explain what sustains institutions over time while simultaneously accounting for cases in which exogenous shocks or shifts prompt institutional change. Extrapolating the authors' analysis, we can combine these three strands of thought to better understand why the specific nature of HEIs allows them to endure over time and how external events affect institutional change. Roughly speaking, these three complementary views share the conception of institutions as *relatively enduring* features of political and social life (*ibidem*: 4). This is why it makes sense to look at HE as an institution and to consider the consequences of its extensive and intensive institutionalisation processes (Meyer et al. 2008). In institutional thinking, environments constitute local situations – establishing and defining their core entities, purposes, and relations, and therefore local HE arrangements are heavily dependent on broader institutions *(ibidem)*, such as quality assurance agencies, central government institutions, international organisations, etc. Thus, looking at HE as an institution allows us to see the cultural scripts and organisational rules built into the global, international and national environments that establish the main features of local situations. "(…) together with their disciplinary fields and academic roles, HEIs are defined, measured, and instantiated in essentially every country in explicitly global terms" (*ibidem*: 188).

Historical Institutionalism

According to historical institutionalists, the long life of universities as institutions is not justified by specific economic and political functions or shaped by particular historical legacies or power struggles, but by their association with the development of social progress and knowledge societies (Hall and Taylor 1996). Historical institutionalism seeks to explain institutions by reference to the past, focusing on their unique features and conventions (Bevir 2009: 110).

For most historical institutionalists, institutions are likely to be path dependent or even "sticky" (Fligstein 2008: 240). According to Levi (1997: 27) path dependence happens because "(…) once a country or region has started down a track, the costs of reversal are very high". Institutions tend to

resist change because they embed actors' interests and also because institutions are implicated in actors' cognitive frames and habits. *Path dependency* elucidates on the nature and speed of changes and whether these are on the same continuum as previous developments or whether they cause discontinuities. According to historical institutionalism, actual and future actions are the reflection of experience and radical changes in public administration hardly occur. Public policies and formal institutions are usually designed to be difficult to change so past decisions encourage policy continuity (Pierson 2000). According to Cerna (2013), the main strength of path dependence perspective is that it is able to explain why policy continuity is more likely to occur than policy change. As countries establish certain policy paths, it remains difficult to change these paths because actors and policies have become institutionalised, demanding great efforts and costs by actors who desire change. However, as Cerna (2013: 5) refers, it is difficult to show the costs and incentives created by the original policy choice and how it affects decisions about future policy choices. It is thus this focus on developmental continuity of historical institutionalism that makes it handicapped to explain institutional innovation and rapid change (Hodgson 2008: 4-5). According to Thelen (2002: 104) historical institutionalism is concerned with how a particular set of rules affects the strategic orientations of individual actors and their interactions, and with the ways in which institutional configurations define the organisational fields. This is so because organisational fields have a very broad influence on both the strategies of individual players and on the identities of actors and the networks that define their relations to each other. The current outcomes of public policies are inevitably shaped by current and past institutional arrangements and therefore policy decisions made in the past shape choices made today (Thoenig 2012: 170).

Similar to *path dependence*, Streeck and Thelen (2005: 22-24) explain that *layering* is a type of change that "involves active sponsorship of amendments, additions or revisions to an existing set of institutions" (2005: 24). This type of change takes place through "differential growth": the introduction of new elements sets in motion dynamics through which over time they actively crowd out or supplant the old system as the domain of the latter decreases relative to the former (*ibid*). Or, as Christensen (2012) puts it, layering processes may happen by the simple instrumental fact that leaders decide to keep reform elements they support or alike when introduce new reforms because "it is never easy to start from scratch, and continuity in norms and values helps a public organisation to cope with periods of transition" (*ibid*). Another reason may be that a diversity of reform elements from different sources makes it easier to make flexible political compromises, decrease conflicts and increase legitimacy. A third and more culturally oriented reason could be that path-dependent mechanisms and cultural resistance make it difficult to remove all elements from an old reform

when a new one emerges. In contrast, a fourth and more symbolically oriented reason is related to the layering of reforms (Meyer 1979; Christensen 2012).

Layering also relates with *displacement* processes. Displacement happens as new models emerge and diffuse which call into question existing, previously taken-for-granted organisational forms and practices (Streeck and Thelen 2005: 19). Previous research suggests that "(…) given the development and promotion of alternative structures to achieve the same ends, organisations are likely to abandon older arrangements in favour of newer, promising structures, at least if costs associated with the change are relatively low" (Tolbert and Zucker 1996: 184). Nevertheless, it is also true that "recycling" old structures and ideas is a low-cost strategy, which demands fewer "social resources" than creating new organisational structures (*ibidem*: 182).

The literature considers historical institutionalism in between the sociological and the rational choice streams, and has been criticised due to lack of focus and to the broad approach it uses in social inquiries, without addressing issues about individual behaviour raised by rational choice theory (Bevir 2009). However, historical institutionalists agree with rational choice scholars that actors operate in a strategic manner (Thelen 1999). Interest lays in determining the content of such strategic behaviour and understand, through historically based empirical analysis, why certain goals, policies, ideas, etc. are emphasised over others and why there are different national responses to similar policies and/or political changes (Hall and Taylor 1996; Bell 2003). This is crucial for this study, and helps to understand why institutional factors have been used to explain why countries pursued different responses to the common economic challenges of the 1970s and 1980s (Thelen and Steinmo 1992). For Thoenig (2012: 127-128), historical institutionalism criticises the idea that the state functions as a single, hands-off and neutral agent, elaborating consensual compromises. This view is of particular interest to track the role of state and its relationship with HEIs in both Portugal and Finland. In this sense, Christensen (2012) refers that the historical development of public institutions shows that at certain point in time, elements of the institutions' basic structures and cultures are either pushed aside or deinstitutionalised when a new reform wave comes along or something else manages to remain viable and influence the further development of the organisation, regardless of new reform waves. An example of this scenario is the layering of various elements from the "old public administration", NPM and post-NPM, making public organisations increasingly complex (Christensen 2012).

With respect to change and decision-making dynamics in the EU domain, institutional and policy change become "path dependent" as actors define their preferences endogenously, based upon what has occurred in the past (Aspinwall & Schneider, 2000). As Bulmer (1994: 355) states "political struggles are mediated by prevailing institutional arrangements. History creates contexts,

which in turn shape choices (Aspinwall and Schneider 2000: 16). This means that member states' preferences are conditioned and shaped by what they have already agreed to within EU arrangements. Therefore, causality flows both ways: while agents chose institutions, institutions then constrain agents. The authors refer that the EU institutional and policy development ultimately follow one of several 'paths', although historical institutionalism does not favour one path over another. However, despite being possible for agents to subsequently alter or shift institutional arrangements to better suit their needs, they prefer the 'stickiness' and longevity of prior structural arrangements" (*ibidem*).

Historical institutionalism also points to different perspectives on power: "the structure of supranational institutions and policy competence privileges certain types of competence over others, and by extension, certain actors over others" (Aspinwall and Schneider 2000: 16). As the authors explain, institutions are not necessarily the product of neutral bargaining or efficient historical evolution; they embody ideas and practices, which are then passed to agents, influencing their options and behaviour. As such, historical institutionalism stresses the role of policy stickiness in the process of European integration. European integration is thus a cumulative process according to historical institutionalism where prior decisions form a basis upon which new decisions are made (*ibidem*).

Johanna Witte's (2006) study on the implementation of the Bologna degree structure in four different national and institutional settings uses mostly historical institutionalism to analyse policy responses to similar challenges. In this scenario, she concludes that cultural and historical arguments seemed to feature particularly stronger in Germany and Italy when compared to the Netherlands and that the success or smooth implementation of change in HEIs depends on the conformity and/or dependences of the institutional path.

Rational Choice Institutionalism

Rational choice institutionalism relies on rational choice theory and it incorporates economic models to the study of institutions (e.g. cost transaction theory, principal-agent theory, etc.). In fact, these theoretical developments have been used to justify how and why institutions matter as they advocate that institutions can play an important role in reducing transaction and information costs and various associated forms of market uncertainty, as well as in monitoring and enforcing contracts and agreements (Bell 2002: 3-5). Rational choice institutionalism assumes that institutions are created by utility-maximizing individuals with clear intentions (North 1990). Rational choice institutionalism assumes that all actors are rational and therefore each person ponders his/her decisions in terms of utility for him/herself.

As Aspinwall and Schneider (2000: 11) state "since most decisions are affected by several individuals, decision-making has to be seen as an interdependent process. Since actors might have incentives to cheat on other players, a society might end up with institutions that are suboptimal from a collective viewpoint". Additionally, by behaving rationally, actors assume a quality related perspective and institutions are seen to overcome market failure (Fligstein 2008: 17). Actors behave in a purely utilitarian way to maximise the satisfaction of their preferences, being efficiency the factor that conditions choice. Institutions and actors are clearly separable (Hall and Taylor, 1996). Efficiency, translated mostly as the maximisation of individual preferences, is a debatable issue in institutionalism. By pursuing the idea that institutions could be efficient, economic new institutionalism could also lead to the conclusion that current arrangements might be suboptimal and/or bring suboptimal outcomes for the community that, by behaving rationally, assumes a quality-related perspective. Thus, according to this perspective, both governmental institutions and the market are important factors in explaining why some countries develop efficient economies and others do not (Koelble 1995: 232). Institutions are thus capable of affecting an individual's choices and actions but not determining them (*ibid*). In turn, economic developments or the opposite scenario – e.g. economic crises – determine governments and institutions strategies towards these external *pressures*. Institutions change because people's preferences also change (Bell 2002). Institutions are thus an intervening variable, but, ultimately, and according to (Koelble 1995: 232) they cannot determine actors' actions. Contrary to sociological institutionalism, the economic/organisational choice view assumes that each human being is an outcome of his/her own choices, rational and utilitarian, and not of the context in which he/she is living. Institutions come into existence to help solve collective action dilemmas by providing people with more information about the strategic actions of others and give them opportunities to make trade-offs (Fligstein 2008).

It should be remembered that rational choice theory has first found ground in the international relations field, where it assumes that actors behave in a strategic manner, adapting their strategies and beliefs to the assumed actions of other players (Aspinwall and Schneider 2000: 11)[41]. Thus, in order to make the most from cooperation and/or agreements, national governments create and maintain institutions to lower the transaction costs associated with intra-national activity, such as incomplete contracting, imperfect information and the inability to monitor and enforce agreements (*ibidem*). In this sense, cooperation is instrumental and not necessarily a socially ingrained and habitual practice (*ibidem*). In line with this, in this framework of analysis, political action involves the

[41] Aspinwall and Schneider (2000: 30) refer that this is also the reason why according to Moser, Schneider and Kirchgässner (1997) rational choice institutionalism has also been called the theory of strategic integration.

management of uncertainty and how important flows of information are for power relations and political outcomes. Rational choice institutionalism strongly believes that strategic interaction between actors plays a determinant role for successful political outcomes (Hall and Taylor 1996: 951).

For historical institutionalists, interests and preferences matter, but they argue that this is more dependent on existing institutions and political opportunities than rational choice theorists would generally allow (Fligstein 2008). Rational choice theorists and historical institutionalists also share different views concerning the degree to which preferences could be endogenously determined. While historical institutionalists see preferences as a product of situational social roles or situations that cause actors to rethink who they are and what they want, rational choice proponents are less able to predict what might happen, also because they are not so focused in the (details of the) historical and social processes by which arrangements are made (*ibid*). Nevertheless, actors' behaviours are predictable to some extent because if they face similar constraints, one would expect them to behave in a similar way (*ibid*). Differences in outcomes can also result from different amount of resources, as the rational choice strand believes that resources and rules produce both constraints and opportunities (Fligstein 2008: 15). Actors enter situations, consider their resources, their preferences, and then select actions oriented towards maximising their preferences.

Emerging from the neoliberal ideology, from globalisation and from the influence of international organisations, the NPM fits this school of thought since it advocates that organisations must make rational choices and target efficiency. This has supported a wave of managerialism in universities which have to compete in an increasingly global scale, as national and international schemes for rating, ranking and accrediting promote competition at the global level (Meyer at al. 2008: 206).

Sociological institutionalism

Sociological institutionalism defines institutions broadly, including the rules, procedures and norms, but also the symbols, cognitive schema and moral patterns that guide human action, establishing a systemic relationship between individuals and institutions (Hall and Taylor 1996: 947).

March and Olsen (1984) see institutions from a Weberian view, as constructs designed to assign rewards and sanctions and to establish guidelines for acceptable behaviour – giving birth to the value of meritocracy and promoting the idea of social mobility (Koelble 1995: 233). Individuals are embedded in cultural and organisational fields which determine the concepts of "self-interest" and "utility" (Koelble (1995: 232)[42]. An organisational field is a set of organisations that, in aggregate,

[42] Although the new institutionalism links both sociological and rational choice institutionalism,

constitute a recognised area of institutional life. "Not all organisations respond in similar fashion to institutional processes. Yet, organisations confront institutional contexts containing multiple and inconsistent myths that allow for multiple yet equally legitimate responses" (Meyer and Rownan 1977: 356).

March and Olsen (1984; 1989) argued that human behaviour is guided and shaped by a *logic of appropriateness* which shapes behaviour and choices besides the maximisation of utility. They explained that individuals perceive the need to follow rules, which associate particular identities to particular situations in order to acquire personal self-knowledge skills, which in turn will help in the decision-making process. In this case, *appropriateness* refers to cognitive and ethical dimensions, targets and aspirations and it guides individuals to *fit* within an institution. Nevertheless, one should note that actors make different interpretations about institutional values, routines and rules (Peters 1999). Actors ask what is expected from them given their role – a view that suits this study and that underlies all interviewed actors.

According to Peters (1999: 30), "the institution defines a set of behavioural expectations for individuals in positions within the institution and then reinforces behaviour that is appropriate for the role and sanctions behaviour that is inappropriate". Putting it like this, it seems that this is a simple process. However, one could wonder whether institutional dynamics of expectations and sanctions work as described by Peters? Data extracted for this study suggest a higher degree of complexity (cf. Chapter V). Additionally, the degree to which rules and a *logic of appropriateness* guide (administrative) behaviour depends on the competition from other behavioural logics, such as the logic of consequentiality and utility maximization, considering that both goals and rules can pervert behaviour (Olsen 2005: 14). According to this stream of thought, the culture, society and organisational identity have an important role in the definition of institution, and therefore on the behaviour of its actors. Institutions not only affect the strategic calculations of individuals, but also their basic preferences and identity (Hall and Taylor 1996: 948). Fligstein (2008: 241) advocates that one of the strengths of sociological institutionalism is pointing out that action occurs in fields where collective social actors gather to orient themselves to one another. According to this perspective, the institutions' objective is to provide collective meanings by which the structuring of the field occurs and actors can come to interpret one another's actions in order to reproduce their social groups. Once a set of beliefs and/or meanings is shared, actors both consciously and unconsciously

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sociological institutionalism is much more influenced by the Durkheim view than rational choice institutionalism as the former strand attributes primal importance to the influence of social structure in institutional building and development as well as on the extent to which institutions are internalised by agents (Aspinwall and Schneider 2000: 4).

spread or reproduce it. In sum, actors use the existent (institutionalised) rationalised myths about their situations to structure and justify their behaviour (DiMaggio 1988) and then to replicate it.

Important differences between the sociological and the rational choice schools lay in the way decision-making processes are made. When making decisions, sociological institutionalists do not ask: "how do I maximize my interests in this situation?" They rather ask: "what is the appropriate response to this situation given my position and responsibilities?" (Koelble 1995: 233). Thus, more than the utility maximising thought, institutions and their set of rules of conduct and behaviour provide legitimacy and appropriateness to institutional actors (*ibid*: 232). Institutions are thus dependent upon larger "macro level" variables such as society and culture, where the individual is a largely dependent and unimportant variable (Koelble 1995: 232). Within HEIs there are legal, administrative and professional procedures, which facilitate and direct both institutions and actors to gain meaning, authority and legitimacy. Nevertheless, power relations lead to situations where often it is more important to embody exogenously legitimated properties than it is to adapt to local possibilities and demands (Meyer et al. 2008: 192). For example, in the case of profiling research, the interests of the university leaders may not be in line with the interests of the policy-makers (Pietilä 2014). If the values and aims of the actors are in disagreement, the leaders might respond to external demand symbolically in order to defend the organisation's inner core. It is vital for the organisation to achieve a normative match between the values and beliefs of the proposed policy reform and the identity and traditions of the organisation (*ibid*).

Also with respect to differences between both the sociological and rational choice institutionalisms, Kaplan (2006) points out that institutional effects upon the decision-making processes of HEIs can be expressed in various ways. For example, (political) struggles over institutional resources and strategy, as well as the allocation of benefits and/or sanctions "(…) will be shaped by structural features of the organization, the organization's relationship to its environment, and the social environment in which its participants are embedded" (2006: 216). A deep analysis of these points will allow us to better understand how the outcomes that we observe in HE are related to the structure and HEIs' governance processes (Kaplan 2006).

More recently, the actor-centred institutionalist approach, which combines rational choice theory and new institutionalism, has been used in studies on the field of HE, namely on the analysis of policy networks and multi-level and multi-actor governance reforms (e.g. Witte 2006; Martens and Wolf 2009). This perspective seeks to explain policies and policy outcomes from intentional actions of interdependent actors, acknowledging that these are shaped by their institutional settings (Van Kersbergen and Van Waarden 2004: 149). According to this perspective, the concept of 'network' is used to describe how informal institutional settings help to overcome collective action

problems and it specifies conditions that reduce transaction costs of negotiations (Van Kersbergen and Van Waarden 2004; Witte 2006). This is probably why Scharpf (1997) believes that the rational approach is 'an actor-centred' institutionalism, and the analytical focus is on the actors and their choices, whereas rules are secondary limitations or constraints (Bleiklie, Høstaker and Vabø 2000: 17).

Martens and Wolf (2009: 84) point to the fact that international organisations not only influence the strategic choices of rational actors, but also develop in ways unanticipated by their creators, i.e. international organisations are able to emancipate from the states that initially created them for a specific purpose (Barnett & Finnemore, 1999). Such as HEIs, international organisations incorporate 'symbolic systems, cognitive scripts and moral templates that provide the "frames of meaning" guiding human action' (Hall and Taylor 1996: 947). Nevertheless, or in parallel with their *emancipation process* and with their institutional frames of meaning which guide action, international organisations act as important (political) actors making policies themselves and unfold their impact on HE political processes (DiMaggio and Powell 1983; Martens and Wolf 2009), contributing then for convergent behaviour. Also Bell (2002) points to the impact that international economic pressures have on national policies which will affected a country's economic structure and also the institutional capacities and make-up of the states.

From the sociological institutionalist perspective, and with respect to European dynamics, Aspinwall and Schneider (2000: 21) refer that "(…) integration depends crucially on cultural and cognitive variation, and consequently the impact of values, beliefs, and identities on actors' responses to integrative challenges". The authors point several reasons for this cultural and cognitive variation. It may occur along professional lines, where groups of professionals from different countries respond in similar ways to proposed or agreed policies; it may also occur within international organisations such as the EC, etc. Thus, whether on one hand we have seen that institutions can reduce transaction and information costs, on the other hand, cognitive boundaries add transaction costs to cooperation, even if these links are founded in language, faith geography, 'epistemic professionalism', or some other bound which assigns common meaning and value to human experience. Cultural persistence may be the result of external pressure or the internationalisation of norms (Aspinwall and Schneider 2000: 22).

In fact, certain elements of historical institutionalism are closely related to sociological institutionalism (*ibidem*). As Aspinwall and Schneider (2000) argue, with time, the mutual impact of culture and historical evolution are impossible to separate. Nevertheless, regarding the study of the EU, namely issues related with convergence and integration, institutionalist theoretical approaches diverge in at least two important aspects. They first differ with respect to the intensity that these

theoretical contributions try to establish causal explanations of the interrelationship between actors, contexts and rules. Sociological and historical institutionalisms pay particular attention to the contexts which, in their opinion, help to shape policy change, mediate between actors and alter conditions in which decisions are reached. Thus, especially sociological institutionalism sees structure prior to agency. In historical and sociological institutionalism, human action is more context-driven and goal-driven than in rational choice institutionalism (2000: 7), whereas for rationalist researchers context matters less (2000: 23-24).

Table 5 summarises the main features and differences of the three theoretical approaches of new institutionalism along nine dimensions developed by Aspinwall and Schneider (2000). One of the features that immediately stands out is that all perspectives understand institutions as rules and norms. Briefly, it can be seen that historical institutionalists share with rational choice institutionalists an emphasis on actor intentionality in the short term. According to Pierson (1996) and Aspinwall and Schneider (2000), one of the most important underlying differences between theorists concerns the time horizon. While rational choice theorists tend to concentrate on short-term decision-making, sociological institutionalists concentrate on long-term institutional effects.

An important notion we take from new institutionalism refers to culture. From the sociological perspective, "(…) culture is extremely important because it contains the bedrock cognitive similarities that cause people to share perceptions of the world around them. (…) Culture is one of the most important driving forces behind the institutionalisation of human behaviour" (Aspinwall and Schneider 2000: 8). The authors argue that although culturally based commonalities do not erase the potential for conflict, the common interpretation of events shared by similar cultural norms or habits reduce transaction costs and lead to an "economy of effort" (Berger and Luckmann 1967: 71 *in* Aspinwall and Schneider 2000: 9). Moreover, shared cultural and cognitive-based understandings may promote common action, whereas different understandings may act as a constraint (*ibidem*). Thus, actors with similar interests, who do not emerge from the same cultural context, find that there is a cross cutting cleavage separating them (*ibidem).* The same process happens recurrently in trying to agree in common economic policies in the EU. For example, whereas some actors prefer a liberal approach, others choose a protectionist approach. However, as pointed by the authors, it is very difficult to measure the effect of "cultural variables" or "signs" on actors' behaviour, because it is impossible to imagine individuals acting without reference to cultural roots; "(…) to ascertain the effects of these roots, becomes exceedingly difficult." (*ibidem:* 10).

Table 5 - Main features of the three new institutionalists approaches

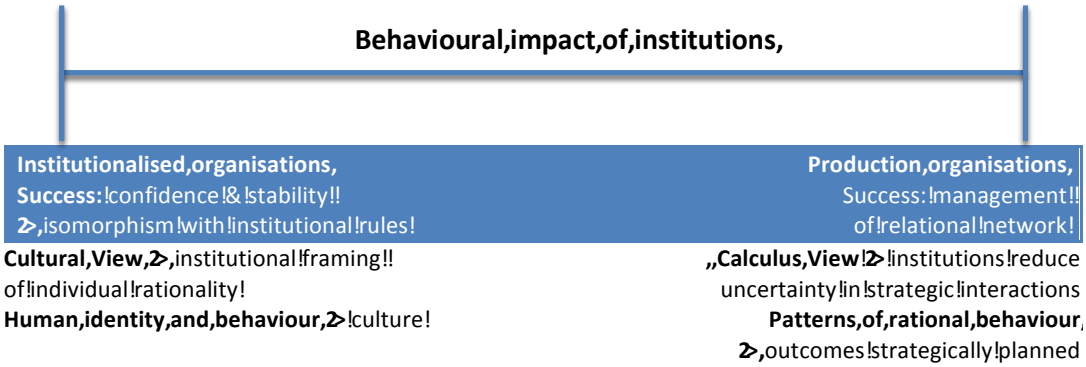
Dimensions	Sociological Institutionalism	Historical Institutionalism	Rational Choice Institutionalism
Concept of Institution	Institutions as 'culture'; norms and values are similar to 'patterns of behaviour', but also includes rules	Equal weight given to formal and informal rules, procedures, norms and conventions	Rules; procedures. Institutions as facilitators of economic transactions
Creation of Institutions	Evolutionary; occasional abrupt changes caused by new events or reinterpretations	Delegation; self-maintaining and potentially expensive	Distributional conflict, reduction of transaction costs or collective dilemma, reduction of transaction costs or collective dilemma as driving force
Evolution of Institutions	Cognitive/memory process of mythologizing common events	Contingent processes with path dependency and unintended consequences	Bargaining process, evolutionary selection
Role of institutions for human action	Major independent variable; cultural constraint	Intervening variable. Grown constraint and opportunity	Intervening variable. Situative constraint and opportunity
Relationship between institutions and actors	Institutions provide moral or cognitive templates for interpretation and action (Hall and Taylor 1996). Institutional norms and values are internalised / adopted individuals	Institutions influence actors' perceptions and preferences, but do not determine them.	Institutions set boundaries/limits, incentives and the scope of action, constituting in this way the framework in which utility maximising behaviour of individuals takes place
Actor motivation	Legitimacy and appropriateness (March & Olsen 1989); culture	Self-interest and normative goals; 'calculus' and 'culture'	Narrowly defined economic self-interest; 'calculus'
Time Horizon	Long term	Long term	Short term
Independent and Intervening Variables	Institutions as major independent variables and actors as intervening	Institutions as independent variables and actors as intervening	Actors as the independent variables and institutions as intervening
Typical Research Method	Inductive; case studies, thick description	Mixture of inductive and deductive approaches; analytical case studies	Deductive; illustration of hypotheses

Source: Adapted from Aspinwall and Schneider (2000: 7).

In reconsidering the theoretical foundations of the three major new institutionalism strands, several authors refer that institutions can be positioned in a continuum of ideas that ranges from 'calculus' to 'cultural' views on the behavioural impact of institutions. The calculus perspective

claims that institutions reduce uncertainty in strategic interactions, whereas the cultural perspective addresses the institutional framing of individual rationality (North 1981: 12; DiMaggio and Powell 1983: 55; Hall and Taylor 1996; Hodgson 2008). Previously, also DiMaggio and Powell (1983) have conceived and divided organisations into two types distributed alongside a continuum. At one side of the continuum, one can find institutionalised organisations whose success depends on the confidence and stability achieved by isomorphism with institutional rules. At the other point of the continuum, there are production organisations under strong output controls where success depends on the management of relational networks (DiMaggio and Powell 1983: 55). Figure 2 attempts to explain this continuum.

Figure 2 – Continuum of Institutional Behavioural Impact



By differentiating new institutionalism subfields, this study contextualises and elucidates on the analytical challenge of understanding system and institutional changes in both Portuguese and Finnish HE systems, more specifically issues with respect to the creation and diffusion of similar policies and governance structures.

The new institutionalism should be brought to this analysis as a blend or mix of *disciplines* rather than being interpreted isolated so that its contributions can be maximised. Nevertheless, it is true that the lack of agreement and panoply of definitions of *institutions* has granted several critics to institutionalism. For example, Donaldson (1995) criticises the institutional theory for being internally incoherent and, consequently, for being difficult to understand its basic premises and/or to discern its evolution. However, these arguments do not affect the object of this study, neither the use of these perspectives. As mentioned above, it not the researcher's intention to reflect on the historical evolution or even whether new institutionalism can be considered a theory or not. The purpose is to extract information that help us to understand institutional change and actors behaviour, the relation between these both focus and even how Portuguese and Finnish actors react and deal under similar pressures.

The researcher assumes that the representative reform movements of the study object are characterised by a combination of different and complex organisational processes such as layering, hybridisation and even dominance, and pendulum swings (Christensen 2012). As informal rules, also cultural practices and cognitive patterns encompass this mixture of elements present in national and institutional HE reforms, as studied along the next chapters. At the institutional level, and following the continuum drawn above, institutionalised organisations need confidence and stability to succeed. In turn, human identity, behaviour and rationality determine institutional culture (DiMaggio and Powell 1983).

3.4 Institutional Change and Isomorphism

For institutionalists change happens through institutionalisation of a certain organisational field and/or sector, i.e. a set of organisations that, in aggregate, constitute a recognised area of institutional life. In fact, it is this theorisation on organisational fields (DiMaggio and Powell 1983), sectors or strategic action fields (Meyer and Scott 1983) that makes new institutionalism to stand out among other perspectives of organisational behaviour. Structure and context are primary factors to consider when studying collective behaviour. By conceiving institutions as entities that structure fields and help to guide actors through the muddle around them, institutions define who was in what position in the field, give people rules and cognitive structures to interpret others' actions, and scripts to follow under conditions of uncertainty (Scott and Meyer 1983; DiMaggio and Powell 1983). Institutionalisation happens when "(…) social processes, obligations, or actualities come to take on a rule-like status in social thought and action" (Meyer and Rowan 1977). However, in my opinion, institutionalisation does not necessarily mean "taken-for-granted" behaviours, neither "widely accepted and/or resistance to change" (social inertia). We rather see institutionalisation as something widely practiced, but which does not necessarily mean acceptation and/or compliance. In turn, coercive institutionalisation might result in actors' frustration, loss of identification with the institution and even alienation (cf. Amaral et al. 2002; Välimaa 2005; (Sara Diogo, 2014) Furthermore, we believe that institutionalised practices need to be monitored, assessed and discussed. Control technologies (Reed 2002) have become institutionalised and transmitted from one generation to another, although with some degree of change in it, according to actors' beliefs and culture. As such, concepts and ideas are the first steps for a practice become institutionalised. Meyer and Rowan's (1977) refer that in highly institutionalised contexts, managers need to exercise 'sagacious conformity' if they are to understand 'changing fashions and governmental programmes', implying a level of active management as organisations adapt to their institutional environment, a fact that can be applied to the institutionalisation of managerialism in HEIs. Those organisations

whose technologies are not clearly linked to outcomes and whose outputs are difficult to evaluate, are particular sensitive to the need to appear rational, i.e. institutionalised organisations (Meyer and Rowan 1977).

The Bologna process is an example that, in the researcher's viewpoint, does not *fit* the idea of institutionalised practices as defined by earlier institutionalists, but rather a (successful?) attempt to the process of becoming institutionalised. Today, 16 years after the Declaration has been signed, and although the changes brought by the process to HEIs have been passing through different generations of students (and academics), they have not been widely accepted (not even at the system level), and resistance to change has been high (cf. chapter VII).

According to Meyer and Rowan (1985: 94-95) the formal structure of an organisation is a social myth. Institutions avoid social censure, minimise demands for external accountability, improve their chances of securing necessary resources and try to raise their probability of survival (Greenwood et al. 2008: 4). The formal, symbolic structure may be window dressing and not aimed at changing the organisational *status quo*. Therefore, what institutional actors do in practice (the reality) is different from what they appear to do (the facade) (Meyer and Rowan 1985: 96). The institutional forms and practices used are not chosen because they are more effective, as implied by the notion of rationality. Institutional forms function as cultural practices compared to the myths and ceremonies that happen in societies and that orgnisations incorporate, gaining legitimacy, resources, stability, and enhanced survival prospects (Meyer and Rowan 1977: 340). Thus, variations in the organisational structure also affect the cultural content carried and transmitted by HEIs: while some HE systems are adverse to change and to establish links with societies, others are more prone to engage in a wider array of activities (Meyer et al. 2008).

DiMaggio and Powell (1983) identified a paradox in organisational behaviour: since the moment a group of organisations emerge as a field, actors make their organisations increasingly similar while trying to change them. "Why is there such startling homogeneity of organizational forms and practices?" (DiMaggio and Powell 1983: 147). What can lead organisations, after becoming an institutional field, to adopt a common set of patterns, characteristics and specific behaviour, leading them to be increasingly homogenous? Under what conditions public organisations imitate each other and avoid innovation (Thoenig 2012)? Even when organisations try to change and seek new ways to improve their performance, after some time these efforts are not balanced with the level of diversity that exists within a field (DiMaggio and Powell 1983). This happens due to the structuration of *organisational fields*. In the short term, pressures toward isomorphism are strong (Thoenig 2012). For DiMaggio and Powell (1983), the process that most clearly translates the cognitive dimension of isomorphic behaviour is imitation, i.e. mimetic

processes, as explained below. As fields mature, there is an inexorable push towards homogenisation as powerful forces emerge, leading institutions to become more similar (Greenwood et al. 2008: 6). Institutions and their actors deal with uncertainty by imitating others they consider models or successful ones in the same field (Scott 2001). Isomorphism is thus a "(…) constraining process that forces one unit in a population to resemble other units that face the same set of environmental conditions" (DiMaggio and Powell 1983: 149). Greenwood et al. (2008: 6) summarise this view by referring that organisations become isomorphic with their institutional context in order to secure social approval (legitimacy), which provides survival benefits.

Institutionalisation occurs through three forms of institutional isomorphism, i.e. three kinds of conformity to environmental expectations or "mechanisms of diffusion": *coercive*, *mimetic* and *normativee* (DiMaggio and Powell 1983: 150). These mechanisms decrease systematic diversity, since all of them lead to increasing similarity in institutions' behaviour.

> "Coercive factors involved political pressures and the force of the state, providing regulatory oversight and control; normative factors stemmed from the potent influence of the professions and the role of education; and mimetic forces drew on habitual, taken-for-granted responses to circumstances of uncertainty" (Powell 2007: 2).

When coercive isomorphism results from the pressures (formal and informal) applied by the state on organisations (Van Vught 2008), the changes brought by these pressures are a direct response to government orders: "(...) the existence of a common legal environment affects many aspects of an organization's behaviour and structure" (DiMaggio and Powell 1983: 150). Both researchers also analysed Pfeffer and Salancik (1978) contributions on organisational diversity and concluded that in a politically constructed environment, political decision makers tend to not experience directly the consequences of their actions; and also that, once political decisions are applied to a set of organisations, decisions become less adaptive and less flexible (DiMaggio and Powell 1983).

Although institutional isomorphism tends to be classified in three main categories – coercive, mimetic and normative – it is now known that organisations do not compete only for resources and/or clients. They also compete for political power and legitimacy – competitive isomorphism. All of them are empirically interconnected, but they emerge from distinct conditions and impulses (or forces) and might lead to different results too. These mechanisms of diffusion are usually the motivation factors explaining adoption. In this way:

> "Coercive isomorphism occurs because organizations are motivated to avoid sanctions available to organizations on which they are dependent. Normative isomorphism occurs because organizations are motivated to respect social obligations. And mimetic isomorphism occurs because organizations are motivated by their interpretation of others' successful behavior" (Greenwood et al. 2008: 7).

A strong factor that causes homogeneity of structures and behaviour within the HE sector is the tendency to emphasise research excellence, when research intensive universities are the role

models that other HEIs mimic. Emphasis on research excellence is accelerated by national and institutional evaluations, benchmarking and funding schemes (Pietilä 2014). In the case of profiling research, the interests of the university leaders may not be in line with the interests of the policy-makers (cf. Oliver 1991). If the values and aims of the actors are in disagreement, institutional leaders might respond to the external demand symbolically in order to defend the organisation's inner core. It is vital for an organisation to achieve a normative match between the values and beliefs of the proposed policy reform and the identity and traditions of the organisation (Gornitzka 1999). And this is the basis of institutional theory: to highlight the tendency of organisations to look for appropriate structures to appear as socially fit. According to Meyer and Rowan (1985: 94-95) the formal structure of an organisation is in good part a social myth. As such, the formal, symbolic structure may be a facade and not aimed at changing the organisational *status quo* (*ibidem*: 96).

Ramirez (2012) addresses the question of what makes persons, organisations, and nation-states to pursue some routes and not others. In HE, it can be asked why some educational trends and reforms diffuse and others not. How do they travel, assuming that they do? "The local indeed matters, but how much it matters varies over time and space" (Ramirez 2012: 434). Indeed, understanding time and space is one of the keys to avoid the most common pitfalls in comparative (educational) research: assuming that all HE systems are experiencing the same changes and at the same pace (Nóvoa and Yariv-Mashal 2003). Institutionalism has been a useful framework for the study of the international diffusion of governance structures of HE (Diogo 2014; Whitley and Gläser 2014).

In line with DiMaggio and Powell, Scott (2001) argued that institutions are based in three distinct pillars – regulative, normative and cultural-cognitive, which provide stability and meaning to social behaviour. Additionally, each of Scott's pillars offered a different rationale for legitimacy, either by being legally sanctioned, morally authorised, or culturally supported (Powell 2007). According to Scott (2001) each pillar provides a basis for legitimacy. "Legitimacy is not a commodity to be possessed or exchange but a condition reflecting cultural alignment, normative support, or consonance with relevant rules or laws" (2001: 45). The regulative element stands for institutions' rules and constraints that condition actors' behaviour, e.g. regulatory processes, monitoring and sanctioning activities (Scott 2001: 35). Economists and economic historians (e.g. Douglas North) see institutions mainly based on the regulative pillar, which operates through coercive isomorphism (formal or informal exogenous pressures). Thus, whereas the cognitive element puts emphasis on the importance of social identities, i.e. conceptions of who individuals are and what ways of action make sense in a given situation, the normative pillar (right after) emphasises the power of roles, i.e. normative expectations guiding behaviour (Scott 2001). The existence of a common legal

environment affects many aspects of HEIs, such as behaviour, structure and responses to external pressures. Coercive isomorphism may also emerge from soft regulation mechanisms (e.g. EC *modus operandi* in the area of educational policy-making[43]). The Bologna process reflects an example of *imposing* and spreading a common educational model to different countries, promoting convergence of national HE systems (Veiga and Amaral 2012).

The normative pillar includes values, norms, roles and normative rules that introduce a prescriptive, evaluative and obligatory dimension into social life (Scott 2001: 37). Normative schemes push compliance for social obligations. In HE, the normative pillar works through certification and accreditation, forcing HEIs to *conform* and ensure they meet certain quality standards (Huisman 2009). Normative isomorphism stems from professionalisation as it is subjected to the same process of socialisation, and behavioural norms and standards to become similar (DiMaggio and Powell 1983). For example, HEIs need to cope with innovation, which might challenge the *traditional* model of knowledge transmission, e.g. e-learning. Situations like these can lead to more diverse forms of delivering knowledge, or innovation might lead to common responses from institutions of the same sector by seeing how successful organisations operate (Meyer et al. 2008).

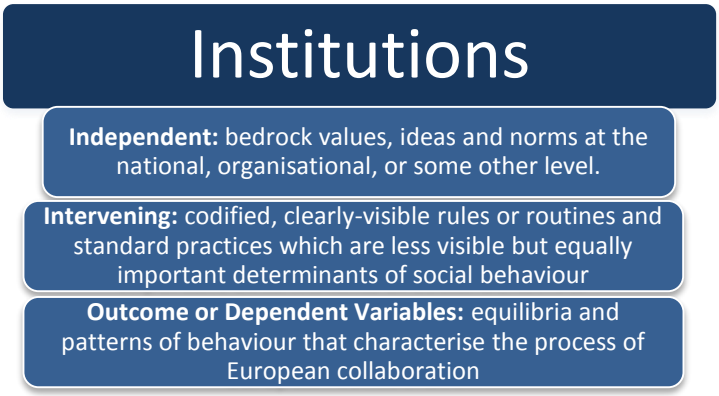
The cultural-cognitive pillar corresponds to the shared conceptions of the rules that constitute the nature of social reality and the frames through which meaning is made. At the inter-organisational level, social scientists recognised the presence of *scripts* and shared beliefs as indicators of cultural-cognitive schemes[44]. The most important cognitive elements are the constitutive rules (Scott 2001), involving the creation of categories and typifications, which in turn contribute to the social construction of actors and interests (ibid: 41). The cognitive pillar relates to mimetic isomorphism as organisations are motivated by their interpretation of others' successful behaviour (Greenwood et al. 2008: 7). As such, it results from competitive market forces contrary to normative conformity, which happens through strong social and cultural expectations for certain organisational behaviour (Bess and Dee 2008: 142-143). Mimetic isomorphism happens when institutions 'copy' each others' behaviours in order to find solutions which do not demand a high investment and it is driven by uncertainty. These three pillars balance institutional dynamics and help us to understand how institutional theory works in practice.

In the context of European collaboration, institutions can function as independent, intervening or outcome variables. As independent variables, they include bedrock values, ideas and norms at the national, organisational, or some other level. As intervening variables, they may comprise codified,

[43] Cf. Souto-Otero, Fleckenstein and Dacombe (2008) on this topic.
[44] Cf. Greenwood and Hinings (1993) for the concept of archetype.

clearly-visible rules or they may have routines and standard practices which are less visible but equally important determinants of social behaviour. As dependent variables, they include those equilibria and patterns of behaviour that characterise the process of European collaboration (Aspinwall and Schneider 2000: 5).

Figure 3 - Patterns that characterise institutions' behaviour in the process of European collaboration



Source: Adapted from Aspinwall and Schneider (2000).

In the process of the EU construction, the patterns of behaviour that characterise the outcomes of European collaboration are much based in the logic of appropriateness representing dominant institutional values (Veiga 2012). With respect to the other two patterns (independent and intervening variables), Laffan (2001) refers that in the EU, the cognitive systems entail national frames and the emergence of new frames of meaning (e.g. flag, passport, the single currency) constructed within the EU. As such, "the cognitive pillar remains the most underdeveloped of the pillars largely because the EU was founded by states, institutions with a powerful cognitive dimension" (2001: 722).

Whether we look at the implementation of the Bologna declaration through a 'top-down' perspective, the role of the main actors should be as follows: the European level defines guidelines and principles, the national level translates those guidelines, sets policies and lines of action, HEI – depending on their autonomy and power attributed to them – interpret guidelines, policies and lines of action, adapting, changing or transforming HEIs' own profile in such a way that the outcomes fulfil – or not – the Bologna process goals. But policy implementation in HE is closer to the idea of mutual adaptation. And soft law mechanisms steer the "top-down" diffusion process by combining HEIs' steering mechanisms with "bottom-up" approaches. The new-institutionalism perspective is therefore useful to construct a feasible framework of analysis, based on rules, routines, norms and

identities of an institution, rather than micro rational individuals or macro social forces (March and Olsen 2005: 20).

3.5 Location of the Study

Earlier in the dissertation (chapter II), it was mentioned that changes in HE should be understood in the light of the emergence of a context of public sector reforms, framed by neoliberalism, where governance is conceptualised as a minimal state. These changes have led to the rise of the Evaluative State (Neave 1998) originating from the belief that universities are inefficient in their governing capabilities, although responsible for "(…) the production of a whole system of knowledge" (Meyer et al. 2008: 190).

Instead of hollowing out the state, the neoliberal movement "created new patterns of service delivery based on complex sets of organisations drawn from all of the public, private, and voluntary sectors" (Bevir 2009: 6). The greater emphasis on informal institutions led institutionalists to gain increasing interest in the study of formal bureaucracies but also of policy networks, concluding that under the new governance, the state had to rely less on rules and more on indirect management, based then on negotiation and trust (2009: 112). In this scenario and according to the rational choice theory, in the absence of/or less government, one expects that the stability of organisational norms, agreements and patterns of rules (*loose norms*) dictate individuals' behaviour. As such, according to institutionalism, institutions are tied to codes of appropriateness, and reproduction occurs as actors socialise or learn from collective scripts that regulate human behaviour (March and Olsen 1989; Scott 2001). In other words, in the absence of any *higher authority* or any *enforcing agent*, networks and logics of appropriateness also help to guide institutional actors beyond what is *legally* stipulated. Concurrently, mostly after the 1960s and 1970s, the term "management" spreads to the public sector and, with the rise of conservative governments in Britain and the United States in the 1980s, the concept of managerialism takes over a new meaning, leading some authors to classy this period as neo/new/hard managerialism (Ferlie et al. 1996; Denhardt and Denhardt 2000; Reed 2002; Kirkpatrick et al. 2005)[45]. Moreover, the public policy reforms of the 1970s have also encompassed

[45] The authors who follow this distinction seek to emphasise what they consider a fundamental difference in these two periods. While, initially, in the 1960s and 1970s, the aim of the reforms was to restructure the organisational forms and practices based on bureaucratic rationalisation; in the last period, in the 1980s and 1990s, the whole restructuring movement is reconfigured and materialised assuming the inevitability of breaking with institutional and professional autonomy (Reed 2002). Indeed, by insisting that cultural factors play an equal and independent role alongside structural and material factors, institutional theorists created the idea that there are generic types of social structures – organisations – to be administered under a common body of knowledge management and which contains recognised subcategories such as firms,

institutional restructuring, as for example shifts in power between institutions and between actors, impacting especially on the role of the state, namely on the possibility and desirability of the government shaping society (Thelen and Steinmo 1992; Olsen 2005).

At the macro-level, new institutionalism provides a fruitful framework for analysing institutional restructuring and destructuring/de-*institutionalising* processes, as well as reproduction and production mechanisms in HE systems and institutions. By explaining the processes of institutionalisation and de-institutionalisation, Carvalho and Santiago (2010) refer that new-institutionalism allows us to better understand the outcomes that follow from these processes, nevertheless drawing our attention to the fact that a theoretical approach that restricts itself to environmental relations may constrain both processes of institutionalisation and de-institutionalisation imposed on HEIs as well as limit the analysis of what and how academics interpret and respond to the pressures of managerialism/NPM at the micro-organisational level (2010: 166). As the authors remind: "If strategic responses to external pressures differ for each institution, internal response may also be expected to differ" (*ibidem* 2010: 166). This is so because institutional restructuring emerges at two levels. At first, it originates in the political initiatives to reshape the structures, roles and routines of individual HEIs and its academic cultures. Second, it emerges in the steps taken to legitimate a new cultural-cognitive 'milieu' or 'order', closely bonded to market ideologies and/or NPM (2010: 165). Thus, one should not forget that "attempts to *institutionalise* the components of NPM go hand in hand with efforts to *de-institutionalise* long-established features of both institutional and professional culture" (2010: 166).

Among the three new institutionalisms streams, this research has the most in common with the historical and sociological institutionalisms due to the way these perspectives conceive institutions and actors, and the relationship between them. This proved to go in hand with the researcher's interest in international comparative research into policy responses to similar challenges. Furthermore, the conceptualisation of *path dependency* and *layering* are important theoretical tools to put into perspective the research object.

Change is conceived here as an outcome of reforms, i.e. we look at changes as a result of governmental and intergovernmental initiatives. Nevertheless, the study shares from Clark's (2004a: 367) view, who believes that reforms enacted by the state do not handle change properly considering that system-based policies always overlook the characteristics, dynamics and needs of the individual institution. In methodological terms (Chapter V), it is often difficult to determine the points in time when change occurs. In addition, the perspectives on institutional change presented here are more able to explain change in the past rather than *predict* change in the future based on certain conditions

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schools, and agencies (Scott 2004: 7).

(Cerna 2013). Nevertheless, this study attempts to combine elements of these three research perspectives: it stresses historical, structural, cultural and sociological continuities in the role of the main intentional actors in the reform process presented here: the government and HEIs. Such interaction of views and elements allow us to trace political decisions in both countries and to understand actors' preferences, who shaped and lived these political decisions.

With respect to actors, the study drinks from their perceptions, preferences and capabilities that characterise them and that they use(d) throughout the processes analysed here. Witte (2004) defines the sum of actors' perceptions, preferences and capabilities as the actor constellation, which then plays out dynamically through actor interaction in the policy formulation process. The researcher believes that the groundness of this study is also located in the variety of actors involved, adding also levels of analysis due to their role in policy and governance reforms, as for example the European context. However, the main handicap of the three new institutionalisms as Filgstein (1997) puts it, is that they miss the point that actors (decision-makers, managers, leaders, or elites) have many constituencies to balance off and they must continuously be aware that they have to produce arrangements to induce cooperation with both their allies and opponents.

Kaplan (2006) reminds us of the importance of institutions and *key* actors and *strategic* groups. Institutions represent the context within which polities come to decisions about policy. They make certain outcomes possible and stable and make other outcomes unlikely. However, if institutions retain such power in society, if they control and shape outcomes, they possibly award some advantages to some groups over others: how is this then translated in institutional life? Which groups are these and how do these dynamics vary in HEIs with different governance structures and management practices? And, at the system level, how can different government types and rules affect decision-making processes and change policies when governments change? These questions led us to the conceptualisation and formulations on institutionalisation processes. We know (from institutionalism lessons) that full institutionalisation of a structure is likely to depend on the conjoint effects of organisational actors distinguished by a number of properties (e.g. hierarchical authority, unique legal responsibilities, etc.) who relatively low resistance by opposing groups (Tolbert 1996: 181). The reversal of this process, deinstitutionalisation, is likely to require a major shift in the environment which may lead to conflict between actors whose interests are in opposition to others with different cognitive frameworks (Pietilä 2014). In fact, once in existence, institutions both enable and constrain social actors; "privileged" actors can use institutions to reproduce/reinforce their position (Fligstein 1997). In fact, differences in power explain how organisational groups with different beliefs and interests influence a change process (Arnaboldi, Azzone and Palermo 2010: 79). Following this (or because of this finding…) Scott (2004: 11) referred that rather than

organisations absorbing societies, it may rather be the case that societies are absorbing organisations…

3.6 The nature of HEIs as important factors in organisational change

Topics where it is easy to find general consensus among the public is the fact that universities are "among the most traditional of all the institutions of our society and, at the same time, it is the institution most responsible for changes that make our society the most changing in the history of man" (Hesburgh *in* Clark 1983: 182). Indeed, this very often-claimed exceptionalism of HE seemed to justify, as referred by Kogan and Hanney (2000), an unique relationship between the state and HEIs, largely supported by their mission of knowledge generation and diffusion (though the research function is still relatively new, Wittrock 1993). The process of transformation of the universities into primary knowledge-producing institutions followed two important events: the declining of influence of their ecclesiastical (religious) function (namely teaching priests) and, at the same time, the rise of the modern nation-state throughout Europe in 1648, with the landmark Treaty of Westphalia (Wittrock 1993: 305).

Drawing essentially on Burton Clark's (1983) work, some of HEIs main hallmarks will be briefly remembered. The first basic concept (it is difficult to find a nominal category for this) composing HE everywhere is knowledge (Clark 1983), and it is this "material" which determines how activities are organised within HEIs. Around the different types of knowledge, "… each national system develops a division of labour that becomes traditional, strongly institutionalized and heavily influential on the future" (*ibid*: 6). As such, one of the main distinctive characteristics of HEIs is their bottom-dominated ("bottom-heavy") form of governance, which implies that the organisation of academic work is thus *fragmented* by scientific disciplines or by institutions. As Clark remembers "… a national system of higher education is also a set of disciplines and professions, even though we do not normally perceive larger systems in these terms" (*ibid*: 29). This organisation naturally affects the nature of the academic profession and the structure of the institutions. Indeed, with respect to the organisation of the academic work, the author highlights the importance of the discipline (rather than the enterprise – institution) in the working life of academics, seeing that when one gives to an academic the choice of leaving the discipline or the institution, he/she will leave the institution and will remain committed to his/her discipline (*ibid*: 30). Probably, and considering that almost three decades have passed since Clark wrote what many called the "higher education bible", such a view might raise debates. Many would argue that at the present the academic profession has lost much of its attractiveness that once had, and faced with such a "difficult choice", it would be

perfectly possible that he/she leaves both the institution and the discipline and would engage in another activity.

The second basic element constituting (and integrating) not only academic systems but also any organisation is a set of common beliefs, e.g., the norms and values of the actors of a HE system – its symbolic side. The social structure existent in HEIs (which may be formal and/or informal) transmits a special meaning to both the personal and professional fulfilment of its members, giving them a sense of belonging to the institution. Although it is the "least-understood part of modern organisations" (Clark 1983: 7) the beliefs, as well as the cultural side of the organisation, allow to share a common identity, helping the members of any organisation in finding answers for the following questions: "(...) who they are, what they are doing, why they are doing it, and whether they have been blessed or cursed" (Clark 1983: 72). As Oliver (1991) also mentioned, organisational behaviour is very often driven by "... preconscious acceptance of institutionalised values or practices" (1991: 149). In addition to the common shared values, and different from other types of institutions, the academic community is also encouraged to enrich/contribute in their working place with their individual creativity, as long as this contribution does not harm their colleagues. Furthermore, beliefs have constantly pushed universities towards the accomplishment of their social obligations (Rothblatt and Wittrock 1993), namely and very broadly, generation and diffusion of ideologies, selection and formation of dominant elites, creation and application of new knowledge and the training of bureaucracy – the skilled labour force (Castells 2001). The author still adds that in all societies and throughout their history, universities have performed their basic functions with different priorities, according to different periods, countries and their respective historical, scientific, cultural and ideological backgrounds, as well as specific institutions (Castells 2001).

Authority, or its distribution, is, according to Clark, the third basic element of universities' organisation and occupies a first place when analysing governance issues. According to Rothblatt and Wittrock (1993), authority represents the "less romantic" view of HE, implying levels of bureaucratic and technocratic organisation and coordination which are not common to universities. Indeed, the fact that universities deal with knowledge production and transmission and its influence on academics' role has created the idea of the HE sector as an *ivory tower* and the university as a special kind of organisation, fostering the idea that it would be very difficult to manage such a complex institution, with "… so many highly competent persons at the base of the hierarchy – even if the concept of hierarchy does not apply well to universities" (Weber 2008: 256 *in* Amaral 2008). Nevertheless, as Clark mentions, it is not practicable to discuss work and belief without implying related aspects of authority, once that, among such diversity, it is necessary to discern patterns of legitimate power and to articulate the academic groups' interests (1983: 107). Thus, within HEIs

(the middle structure and therefore the third level of authority)[46] the primary source of authority is the professional expertise, e.g., only the professional expert can take the majority of decisions (Gornitzka 1999: 12). As such, and arguing against the more pessimistic view described above, others would say that the academic profession, particularly under the Humboldtian tradition and due to its high level of fragmentation, still enjoys great autonomy and freedom of teaching and research. As Gornitzka (1999) explains it is believed that the function and objectives of HEIs are best served in an environment of academic freedom. This brings us to another distinguishing characteristic of universities, namely the existence of low interdependence of faculties, therefore relating to the concepts of "loose coupling"[47] (Weick 1976) and "social choice" explained by Clark (1983) in the following way: "... at the far end there is a 'social choice' context in which there are no inclusive goals, and decisions are made independently by autonomous organizations" (*ibid*: 137). The combination of these two factors (distribution of decision-making power and a high degree of fragmentation) condition "... the extent to which co-ordinated change in as well as of HE organisations is possible or likely to occur" (Gornitzka 1999: 12). Nevertheless, and as the author refers, one should not forget that these conditions vary not only according to the type and size of HEIs, but also according to different national systems of HE. It would be very incoherent to compare, for example, China and Finland (or Portugal) for these conditions. Although it is not the researcher main objective, the study of institutional freedom and autonomy offers the possibility to deepen our understanding on the different types of relationships between governments and institutions, institutions and society and even government and society.

Intimately linked with academic authority, we will find another aspect of HE: integration and coordination of disciplines and institutions. And here we find the fascinating triangle of coordination created by Burton Clark, a tool that has been widely studied, used and even adapted by all of those involved in the study of HE, explaining how to "position" a HE system in ways that vary from tight bureaucracy control, to professional academic oligarchy and to the market. It can be said that during our analysis of the evolution of the state's role in the public service and more

[46] According to Clark (1983) there are six levels of authority, but not all of them can be found in every higher education system. "From the bottom to the top, the first level is the lowest major operating unit: the department (…)" (*ibid*: 108-109). The second level is the 'faculty'. "The third and most readily distinguishable level is the individual university or college (…)". The fourth, fifth and sixth levels of authority organisation are administrative entities of increasing inclusiveness (*ibid*: 109).

[47] Weick describes loose coupling as "... the image that coupled events are responsive, but that each event also preserves its own identity and some evidence of its physical or logic separateness" (Weick 1976: 3).

specifically in the HE sector, we have been exploring the different potentialities (corners) of the triangle.

The last (but not the least) and one of the most challenging aspects characterising HE is change, as Kerr and Hesburgh's statements, among others, show. Analysing change in HEIs can be quite "frustrating" considering the variations of interpretation the word might have. Additionally, although the sector is characterised by "observable inertia" "… there is also so much change in HE and change generated by it for the rest of society" (Clark 1983: 182). Wittrock wrote that: "The university is, together with the Church, the most time-honoured of all present-day, macro societal institutions. Yet arguably is also the most innovative" (1993: 303). In a general way, it can be said that the processes of change in systems organised around knowledge, the "building block of HE", is disjointed, incremental and invisible (Clark 1983). This has to do with the fact that change mechanisms of HE are moved through, or according to, the "evolution" of knowledge production. As Kogan and Hanney (2000) referred, these changes in the way knowledge is produced create new forms and boundaries, sub-disciplines and domains, according to national contexts and traditions and institutional management. Thus, "… process determines structure" (2000: 26). Additionally, and as a kind of final remark, it is important to refer that change within HE parallels large societal changes, and as Wittrock (1993) and Clark (1983) among others remember, knowledge of these changes provides an useful tool to better understand current and future changes within HE.

To conclude, it would be worth to remember that the size of an organisation, as well as the persecution of multiple and ambiguous purposes also influence the way HEIs deal with external pressures and demands. It is commonly argued that larger organisations have more resources and abilities to deal with external environment constraints, though this is not always verified (Pfeffer and Salancik 1978).

The external environments in which HEIs operate are increasingly complex and it seems to be clear that, at the beginning of the 21st century, "After remaining a comparatively isolated universe for a very long period, both in relation to society and to the rest of the world, with funding guaranteed and a status protected by respect for their autonomy…" (COM 2003: 22), universities can no longer take their continued existence for granted, not in the form in which they have appeared for centuries. As Neave (2007) stated: "the very particular relationship between State and higher education that upheld institutional stability for more than two centuries, is dead" (2007: 49). Nevertheless, it is believed (and empirically shown) that the university modernisation model proposed by the EC differs significantly from the one ambitioned by the academic community:

> "The new model proposed by the Commission questions the Humboldtian ideal of a community of autonomous professors and doubts that self- governing scholars will produce the best results for society at large. It emphasises leadership, management and entrepreneurship more than individual academic freedom, internal democracy and the organizing role of academic disciplines"

(Maassen 2007: 94).

To sum up…

To understand how HE systems and institutions adapt to changes, how this is perceived by the public, by the representatives or administrative authorities, and how HE should meet external change are relevant issues in HE research (Neave 2012). The previous sections discussed why institutional theory is a tool to better understand institutional dynamics and to extrapolate lessons of institutional behaviour and institutional relationships.

Particularly rational choice institutionalism has had very significant impacts on recent major reforms in the public sector management and institutional design, namely governance reforms since the 1970s and 1980s. According to Hall and Taylor (1996: 952), rational choice institutionalism has produced the "most elegant accounts" of institutional origins and explanations on the reasons why existing institutions continue to exist by analysing their functions and the benefits they provide. Nevertheless, the authors also note that this strand of thought has been criticised because it lacks convincing explanations for institutional inefficiencies and overemphasises the efficiency that some institutions show (Hall and Taylor 1996). When making decisions, people tend to act in a balanced calculated way, pondering their main motivations (which might not be rational) and then, attempt to fulfil their needs the best they can. In this sense, individuals act based upon limited information. At the highest institutional hierarchy level – i.e. HEIs top-management – behaviours and circumstances change. In other words, it might be argued that, although HEIs' decision-makers are engaged in the "Herculean task" of calculating every possible aspect of utility involved in taking a decision, they might lack the ability and/or the resources to achieve an optimal solution (Koelble 1995: 233). As such, they need to narrow their best available choices by using their rationality, and chose the best satisfying strategy instead of the optimal one (Simon 1947). Students do not behave as perfect informed clients either.

Simultaneously, HEIs have varied considerably in the extent to which they construct separate organisational identities and have been able to exert some independence from the state (Whitley and Gläser 2014). Complementary theoretical grounds need then to be formulated to frame these developments. The researchers believe it would be erroneous to focus only in one new institutionalism *chapter* and isolate it from its siblings when focusing on HE research.

As process-based approach, institutionalisation is almost always treated as a qualitative state: structures are institutionalised, or they are not (*ibidem*). As such, knowledge on questions related to the determinants of variations in levels of institutionalisation, and of how such variation might affect the degree of similarity among sets of organisations is lacking. A clearer understanding of institutionalisation processes would also enlarge understanding on aspects related to decision-

making practices, levels of reform acceptance and cooperation according to different institutional groups (i.e. top-management, middle-management; faculty, non-teaching staff and students), and on the relationship between the government and HEIs. Furthermore, in an era of increasing internationalisation of HE, institutionalism may shed light on possible rationales for the tensions and contradictions between environmental pressures to conform and the need to maintain elements of national diversity. Institutionalism has also helped to frame and to create some order and give meaning to the different metamorphosis of HE systems and their institutions.

In sum, new institutionalism has been a conceptual and theoretical framework used by HE research to better understand how *external* and *internal* tensions affect HEIs actors' behaviour and what we may (or not) expect from them given their role; how do they design, implement and develop national and institutional *reforms* and strategies targeting HE, and how institutional governance and management practices are *redefined* in order to meet increasing demands and possibilities as well.

Part II
The Diversity of the Research Contexts. Methodology.

IV
The National Contexts: Finland and Portugal

This chapter contextualises both Portuguese and Finnish HE systems. Their features, as well as their evolution and also the events that point to the current scenario of change will be described. Indeed, any analysis to the reforms or changes introduced in the system could never be properly done without taking into account the different historical and social periods, as well as cultural specificities, which dictated the present governance arrangements of Finnish and Portuguese HEIs. As such, by using the concept of *historical layers* (Välimaa 2001; 2005) Portuguese and Finnish *exceptionalisms* will be analysed. Referring to the Finnish HE system, Välimaa (2005: 247) explains that historical contexts constitute the present landscape of HE systems like archaeological layers which influence not only the present structures, but also the way HE is perceived in the countries of analysis.

The comprehensive process of change within both HE systems as it has unfolded in Portugal and in Finland in the period of this analysis has two main characteristics: a strong increase in student numbers (though at different phases) and a *comprehensive* reform effort with many layers and actors who have emerged and gained their positions over time. These actors are "part of our historical presence because they still exercise their effects" (Bourdieu 1984: 34 *in* Välimaa 2005: 247).

Thereby special attention should be given to the following topics: a) overview of the national contexts of HE and their evolution, where special attention is provided to the emergence and development of the vocational subsystem in both HE systems; b) the influence of international (or supranational) organisations (e.g. OECD, WB and EU) in the development of HE policies in both countries; c) the developments and impact of managerialism in HEIs in order to understand and contextualise the influence of both the private sector management and the market in the organisation and operationalisation of the HE system and HEIs particularly after the late 1990s.

4.1 Overview of the Portuguese and Finnish HE Systems

The education system in Portugal is regulated through the Education System Act of 1986, more specifically by Law 46/1986 of 14th October, further amended by Laws 115/1997 of 19th September and 49/2005 dated of 30th of August, which established the general rules and organisation for all levels and types of education (Ferreira, Machado and Santiago 2008: 191).

Briefly put, the amendments to the Education System Act of 1986 (Law 46/1986) have mainly focused on the establishment and autonomy of the vocational and private subsystems and on the redefinition of the degree system, following the implementation of the Bologna process. The

changes introduced by Law 115/1997 of 19th September focused on the access conditions to HE by giving HEIs the autonomy to decide on the evaluation process concerning the ability to attend HE, and to select and rank candidates. It also introduced some regulatory measures with respect to the degrees and type of training for polytechnic institutes (Law 115/1997). The second amendment to the Education System Act of 1986 (and the first amendment to the HE Financing Act) was through Law 49/2005 of 30th of August. This law aimed at organising the national HE system according to the Bologna degree system based on three study cycles; to provide polytechnics with the possibility to confer master degrees; to change access conditions to HE, lowering from 25 to 23 years the (minimum) age for people who did not enter at the reference age and/or did not complete high school could now attend HE; and the creation of conditions that allow the recognition of professional experience through its accreditation and certification. Later on, through the Decree-Law 64/2006 (which regulates the exams to assess the ability of students older than 23 years old to attend HE), HEIs gained full responsibility of selection procedures (DGES 2012).

Until the legislative elections of 5th June of 2011 there were two different ministries for the education sector: the Ministry of Education and the Ministry for Science, Technology and Higher Education (MCTES). This model – consisting of two different ministries for educational policies – began in 2002, under the action of the Minister of Science and HE by then, Pedro Lynce (2002-2004) and it lasted until 2011. The MCES was created in 1995 and in 2002 became the *umbrella organisation* for HE, which was until then under the tutelage of the Ministry of Education. In 2011, this tutelage went back to the Ministry of Education, changing its name to "Ministry of Science and Higher Education". At the present moment, and in order to shrink as much as possible the government and administrative machine (due to constant neo-liberal policies and as a result of the disastrous economic situation in which the country is emerged), there is only one Ministry for all levels of education: the Ministry of Education and Science.

The Ministry of Education was accountable for policy at the compulsory basic education and non-compulsory secondary education;[48] HE and science policy in general were under responsibility of the MCTES. In 2005 it was elected a socialist government with parliamentary majority that stayed in power until 2011. By then, at the peak of the political and social unrest due to economic crisis that hit Portugal since 2007, there were new elections. The party that was in power since 2005 had lost legitimacy and credibility to continue in office and therefore it was not difficult for the largest opposition party to won the elections. However, it must be said that since 1976 until today, when the first Constitutional Government of Portugal was established, the parties that have been in

[48] In Portugal, the term secondary education corresponds to what in Europe is typically referred to as upper secondary education (CHEPS IHEM 2008: 8).

power, alternated between the Socialist Party and the Social Democratic Party (the two main national parties). Only when they are not elected with parliamentary majority, coalitions are established, usually with the Social Democratic Centre Party (CDS-PP). Since 1976 until the present year (2015), Portugal had 20 constitutional Governments.

With respect to science and technology, the Foundation for Science and Technology (FCT) is the central Portuguese governmental institution responsible for evaluating and financing scientific research activities.

Portuguese HE is fairly diverse in terms of systemic diversity (OECD 2006). There are three major lines of institutional differentiation: a binary distinction between universities and polytechnic institutions, a distinction between specialised schools typically with a single focus area and larger integrated multi-focused institutions, and the coexistence of both public and private sectors of HE (OECD 2006: 21). There is also the Catholic University, which is the oldest non-public university in the country[49]. Both subsystems of HE are linked and it is possible to transfer from one to the other. It is also possible to transfer from a public institution to a private one and vice-versa (Sousa and Fino 2007: 621)

Finnish HE policy, "in the modern sense", i.e. in the sense of (state) regulation(s), emerged in the 1960s and has evolved through HE development acts (Välimaa 2005: 248). The first HE Development Act was passed by the Parliament for the years 1966 to 1986. Its major objectives were to enhance social and geographical equality by promoting access to universities and to increase the development of the rural areas (*ibid*) and to foster leadership and management in Finnish HEIs, while simultaneously introducing accountability and quality assessment into the system (Välimaa 1994). After this first Act, others have followed: a procedure which has become "a necessary political routine" (Välimaa, Hoffman and Huusko 2007: 45), and which is the way Finnish government *approaches* educational issues, thereby allowing a strong interference of the state in regulating HEIs life.

The creation of a uniform and regionally distributed university system was achieved by means of centralised control and bureaucratic procedures; a strategy used during the 1960s and the 1970s, when Finland was (still) described as a "static society" (Hölttä and Rekilä 2003: 63). Nevertheless,

[49] The Portuguese Catholic University was created with a unique status under article XX of the Concordat between Portugal and the Holy See (*Lusitanorum Nobilissima Gens*) of May 1940, officially recognised in 1971. According to the Decree-Law 307/71 of 15th July (further amended by the Decree-Law 128/90 of 19th April which establishes the University's legal framework), the Catholic University has autonomy to create faculties, institutes, departments, research centres and other organisational units (Decree-Law 128/90).

this "closed system approach" (*ibidem*) gave way to the "open system strategy" during the 1980s and 1990s, a time when great efforts to link HE policy to other areas of social and economic life were made. However, changes in Finnish culture need to be framed in the aftermath of the World War II, when Finland transformed from an agrarian society into a post-industrial one almost overnight (Kivinen 2007: 193).

With respect to the structural organisation of the system, Finland has also a binary division between universities (*yliopisto*) and polytechnics (*ammattikorkeakoulu*). This binary divide has been subject to several discussions, critics, assumptions and choices (OECD 2009). Additionally, the debate about the terminology used to refer to the institutions outside the university sector has been under discussion in the country during recent years. Both the government (in its official documentation and website) and (traditional) universities still call these institutions "polytechnics". Indeed, this is the closest translation of the word *ammattikorkeakoulut* (vocational high school; technical college). However, without national consensus, and under the argument of increasing internationalisation of the sector, professionally oriented HEIs started to call themselves in English "universities of applied sciences" and also use this English designation in their websites and official documentation in English.

In order to simplify comparison and the association between different types of HEIs in both countries, and as we also believe it is the most appropriate denomination of these institutions, throughout this dissertation the word "polytechnic" (or the abbreviation AMK) will be used to refer to Finnish HEIs which have a vocational and/or professional mission/orientation.

In 2014, the Portuguese HE network comprised 295 HEIs of which 176 are public institutions and 119 are private institutions (131 within the university subsystem and 164 within the polytechnic subsystem) (PORDATA 2015). The public university system, which is the oldest and the most prestigious in the country, is constituted by 14 universities (including the Open University) and a non-integrated university school (university institute)[50]. The public polytechnic network is composed of 15 polytechnic institutes[51] and some polytechnic schools integrated into the

[50] These public universities are: Universidade Aberta de Lisboa (Open University of Lisbon), Universidade Nova de Lisboa, Universidade Técnica de Lisboa, Universidade de Lisboa, Universidade de Aveiro (university foundation), Universidade do Algarve, Universidade da Beira Interior, Universidade de Coimbra, Universidade da Madeira, Universidade dos Açores, Universidade de Évora, Universidade do Minho, Universidade de Trás-os-Montes e Alto Douro e Universidade do Porto (university foundation). ISCTE (an university institute) was founded in 1972 under the designation of *Instituto Superior de Ciências do Trabalho e da Empresa,* but in May 2009 changed its name to *Instituto Universitário de Lisboa* when it adopted the new legal status of public foundation operating under private law.

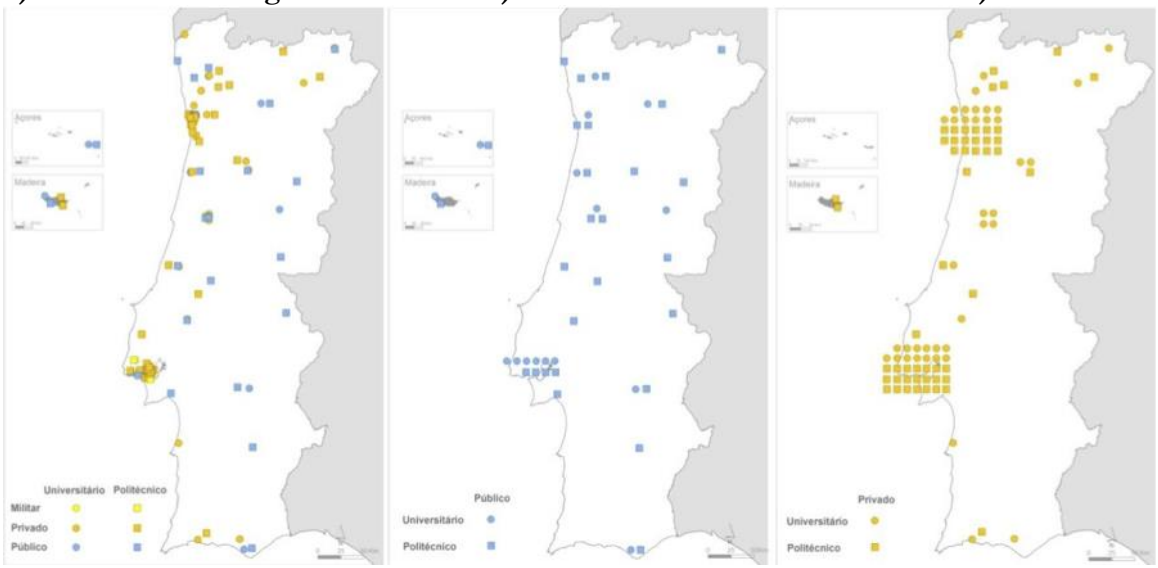
[51] Polytechnic Institutes of Beja, Bragança, Guarda, Castelo Branco, Leiria, Cavado e Ave, Porto, Coimbra, Lisboa, Portalegre, Santarém, Setúbal, Viana do Castelo, Viseu and Tomar.

universities (OECD 2007: 26). Five police and military institutes complete the Portuguese landscape of public HEIs.

This means that almost every region[52] of the country has a university and/or polytechnic or both, as can be seen in Figure 4. The map also shows that despite being strongly concentrated in the coastal regions, public HE covers the whole country and, according to Almeida and Vieira (2012: 143), in 2008 it enrolled 75% of the student population. Private institutions are usually small (the average size is around 1000 students per institution) and the majority of them are polytechnics (OECD 2007). It should also be mentioned that most of private HEIs are located in the same regions where public HEIs are. Teixeira and Amaral (2000) concluded that private education did not constitute an innovation point in geographical and programmatic terms.

Figure 4 - Geographical distribution of the public and private network of Portuguese HEIs

a) Network of Portuguese HEIs **b) Public HEIs** **c) Private HEIs**



Source: FENPROF (2012: 20).

The most important actor in the political organisation of the Portuguese HE system is the Ministry of Education and Science. The DGES is the entity responsible for all the administrative procedures related with HE. After the Autonomy Law of 1988, its role was significantly reduced in what regards public universities, and at the present its role is merely administrative, as it has no power and/or influence in any political/institutional decision. The National Council of Education

[52] Whenever the term region is used for the Portuguese territory, it refers to districts (*distritos*). These are geographical regions aggregating municipalities (*concelhos*) Ferreira et al. 2008: 200). Portugal comprises 18 districts and two constitutionally autonomous regions: Azores and Madeira, which have large legislative and administrative competences.

(CNE) is an advisory body which includes, among others, representatives of the government and the parties of the National Assembly, local authorities, trade unions, industrial and commercial associations, parents' associations and from cultural and scientific associations (Amaral et al. 2002: 59). However, as argued by the authors, despite this huge representation of stakeholders, CNE is not a very effective body and its influence is very much connected to the leadership skills of the president.

Public universities are represented by the Council of Rectors of Portuguese Universities (CRUP) and the Coordinating Council of the Portuguese Polytechnic Institutes (CCISP) represents public polytechnic institutes. Private HEIs are represented by the Portuguese Association of Private HE (APESP). Cultural and social traditions have made CCISP a weaker partner than its university homologous body. The 1988 Autonomy Law gives to CRUP the mission to cooperate with the state in the elaboration of national policies for education, science and culture (§4º). At the formal level, this cooperation is reflected in the CRUP's mandatory hearing with respect to all legislative projects related to HE. The political role of CRUP has thus been more important than this formal role might have suggested initially. This is due, probably, to the fact that there was a significant number of rectors who were elected for several successive mandates, allowing them to cementing enough personal trust bonds to define a common set of academic values which were then translated into clear strategic choices in their relations with other political actors (Amaral et al. 2002: 43). However, both CCISP and CRUP (although CRUP had a more notorious role) were important actors in the negotiations that led to the agreements of the funding formula and to the quality evaluation system in education (Santiago 2004).

In sum, together with the Portuguese Minister of HE, the representatives of all types of subsystems (CRUP, CCISP, APESP), the FCT, the DGES, the CNE and the national agency for assessment and accreditation of HE (A3ES), HEIs, rectors and polytechnics' presidents, students' unions, the national union of HE and professional associations embody the main actors of the Portuguese HE system. It should be mentioned that the professional associations in Portugal have an important role in society through their *advisory mission* in the quality assessment and accreditation system. In fact, not only in Portugal but also in other countries, accreditation has been used by professional bodies (e.g. engineering, medicine or law) to certify the capacity to exercise a profession (A3ES 2013).

According to Amaral et al. (2002: 29; 43), the major issues related with HE (access, equality of opportunities, quality, autonomy, professional profiles of graduates, etc.) are assumed by the different parties of the National Assembly with a diffuse importance, in the form of generic political declarations. By other words, all political parties emphasise the strategic role of education for the

economic, political and social development of the country, although political debates are generally characterised by their low technical quality (the 'paralell state', mentioned in Chapter 2).

These actors do not differ much from the Finnish landscape of HE stakeholders, whose main actors/participants are the FMEC, HEIs, the Finnish Council of University Rectors – universities' representatives (UNIFI) and the Rectors Conference of Finnish Polytechnics (ARENA). FINHEEC, the Finnish HE Evaluation Council is the body that assists HEIs and the Ministry in terms of evaluation and accreditation issues. FINHEEC is also responsible for evaluating the polytechnics seeking operating licences.

A major difference between countries relates to the importance attributed to academic trade unions, employer organisations and students' organisations, as these have been important actors throughout Finnish HE reforms and continue to play a major role in the governance of Finnish HEIs[53] (Välimaa 2005: 254). Finnish student's unions (*ylioppilaskunta*) are a very active political power in the country, commenting and influencing on social welfare and education policies. The National Union of University Students in Finland (SYL) is the umbrella organisation of all the 17 student unions in Finland and it was founded in 1921 by the student unions of Helsinki University and Åbo Akademi. After it's creation in 1921, "the Union has diversified its activities to include looking after the interests of students with regard to issues relating to the content and the organization of higher education and to living conditions" (UNESCO 1998: 49).

In Portugal, after the 1974 Revolution, students were able to participate in all levels of institutional governance and, although not directly involved in the drafting of HE policies, they have participated in the process: student unions have to be heard in the drafting of HE legislation. Although national students' associations had a quite 'unlit' role in the sector during some years, in 1992, after the Law 20/92 of 14th August was passed to regulate the tuition fees system in the country, students' joined forces and there were manifestations in Lisbon and Porto. Tuition fees were increased in 1997 through the Law 133/97 (of September 16th). Later on, the framework approved though the Law 37/2003 (of August 22nd) gave institutions the authority to set tuition fees within a minimum and maximum value. Cerdeira (2009: 3) explains "owing to cost pressures and the progressive decline in resources allocated by the Government, public institutions have been pressed to maximize tuition fee revenue". The (increase in) tuition fees, scholarships, and student's social support have been constant aspects in the agenda of Portuguese students' unions.

[53] The first Finnish trade unions were created in 1967: the Finnish Union of University Researchers and Teachers (FUURT) and the Finnish Union of University Professors (FUUP). The Finnish Union of University Lecturers (FUUL) was created in 1969 (Välimaa 2005: 254).

Furthermore, their contribution for the shift of regime during the *Estado Novo* period was far more significant than academics' contribution (Amaral 2003: 36; Cerdeira 2009).

Another important difference between both systems of HE is that the Finnish system is a typical example of Nordic HE in the sense that it is mainly funded by public funding sources and it offers equal and high quality education free of charge to its students (Treuthardt and Välimaa 2008: 608).

In 2008, in a country with little more than 5 million people (roughly half of the Portuguese population) there were 16 universities (including 4 universities of Arts)[54], 6 regional university centres, 25 polytechnics[55] and 18 public research institutes (Turunen 2011). These numbers equate to one HEI for each 100,000 inhabitants (Välimaa 2005: 247).

Similarly to Portugal, every region in the country has an institution of HE. However, it is expected that in 2020 this number will be significantly lower (see Figure 5). The 2020 Strategic Plan of FMEC wants to have a maximum of 18 polytechnics, 15 universities and 4 to 5 strategic university-polytechnic alliances[56] (*ibid*).

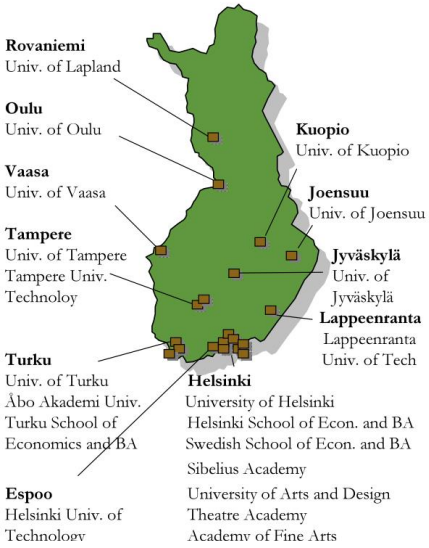
Figure 5 - Evolution of the geographical distribution of Finnish HEIs Network

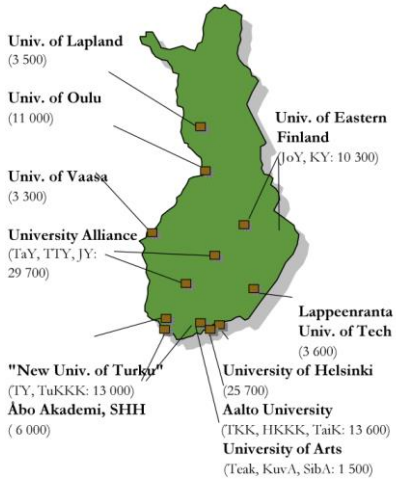
Universities in 2008 **Universities in 2020**

[54] Finnish universities are: Aalto University (university foundation), University of Lapland, University of Oulu, University of Vaasa, University of Tampere, Tampere University of Technology (university foundation), University of Turku, Åbo Academy University, Lappeenranta University of Technology, University of Helsinki, University of Jyväskylä, University of Eastern Finland (a merger between the University of Joensuu and University of Kuopio and it also has a campus in Savonlinna) and the Hanken School of Economics which joined the Helsinki School of Economics and Business Administration and Swedish School of Economics and Business Administration. The four Arts universities are the Sibelius Academy, University of Arts and Design, Theatre Academy, Academy of Fine Arts. All of them are located in Helsinki.

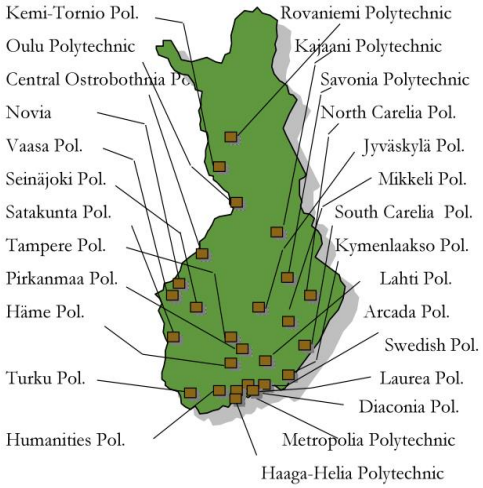
[55] Finnish polytechnics are: Arcada, Centria, Diaconia, Haaga-Helia, Humanities, Häme, Jyväskylä, Kajaani, Kemi-Tornio, Kymenlaakso, Lahti, Laurea, Metropolia, Mikkeli, North Karelia, Turku, Novia, Oulu, Vaasa, Seinajänoki, Satakunta, Tampere, Rovaniemi, Savonia, and Saimaa.

[56] These will be the Aalto University (HUT, HSE, UIAH), University of Eastern Finland (Universities of Kuopio and Joensuu) and the new Turku University also called the Consortium of Turku (University of Turku and the Turku School of Economics). There is also a strategic partnership formed in 2008 (the University Alliance Finland) by three independent Finnish universities in southern central Finland, namely the University of Jyväskylä, the Tampere University of Technology and the University of Tampere.

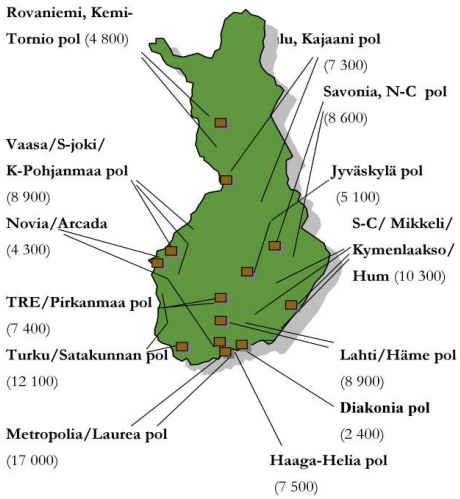




Polytechnics in 2008



Polytechnics in 2020



Source: Turunen (2011); Finnish Ministry of Education and Culture (2012).

There is no private HE system in Finland, at least in the way it exists in Portugal. However, Finnish polytechnics' ownership is "hybrid", as it is divided between the state and private companies and/or local municipalities. Additionally, according to the latest University Act (Law 558/2009), Finnish universities assume the status of independent corporations under public law or foundations under private law (Foundations Act – 109/1930, Amendments up to 248/2011), which represents a step forward towards *privatisation* of HE. Nevertheless, until the present moment, all HEIs get their basic funding from public sources and are steered under the same rules in spite of their diverse legal statutes (BFUG Finland 2009: 1; OKM 2012).

Interesting is the fact that most Finnish HEIs were originally private, with the exception of the University of Helsinki (founded in Turku in 1640) and the new HEIs established after the mid 1960s (Hölttä 1988: 91). However, as Hölttä explains, these institutions were not private in the strict sense we know private education today (e.g. like Portuguese HEIs). Only the Swedish-speaking minority institutions could actually represent an alternative to the rest of the network. All these institutions were gradually subject to government control and therefore to almost total state support, which was not a difficult process considering that the mission of private HEIs was "(…) to a great extent compatible with those of state institutions throughout their existence, so that assimilation into a single uniform sector did not entail major change" (Hölttä 1988: 91). Since the late 1960s, all these institutions have been formally incorporated into the (public) HE system (*ibid*).

The overall institutional landscape of both countries' HE can be seen in table 6.

Table 6: Categorisation of Portuguese and Finnish HEIs

		Portugal	Finland	
			Universities	Arts Universities
Universities	Public	131	16	4
	Private			
Polytechnics	Public	164		
	Private			25
Total		**295**		**45**

Source: Adapted from OECD (2007: 34); OECD (2009); PORDATA (2015).

4.2 Origins and Development of the Portuguese University System

The university system in Portugal has its origins in the 13th century, with the establishment of the University of Coimbra in 1290, one of the oldest universities in the world (Solsten 1993). Under the reign of King Dinis, this university operated initially in Lisbon, where King Dinis founded an academic centre, named *Studium Generale*, similar to the "General Studies" centres that had been created in León and Aragon. In 1308 this centre was moved to Coimbra where it remained, except for a brief period between from 1521 to 1537, and became the University of Coimbra (Braga 1892).

By that time, education was firmly under the control of the church and civil authorities, mainly controlled by priests (and the King), who determined the curricula and hired the instructors (Solsten 1993). Indeed, the power of the church was such, that if we would like to encompass this period in one of the five governance dimensions, either we would have to add another dimension to his framework, or we had to substitute the state regulation by the *church guidance* dimension. This *guidance*

should be understood in the context of Counter Reformation period, where the Society of Jesus (Jesuits) played a strong role in the Catholic Renewal.

The Jesuits had a very strong role in the Portuguese educational and pedagogical scene, as they created several colleges across the country where education was free. By 1558 they had established the University of Évora. This religious influence would, however, stop in the 18th century, when the Jesuits were expelled from the country (in 1759) and the ideals of the Enlightenment infused the Portuguese education. This is how competition between the powers of the Church and the powers of State started to emerge in the educational field. The State, however, started to progressively control formal education, laying the foundations of an education system directed, funded and controlled by it.

After the fall of the Portuguese Monarchy, new universities were created in Lisbon and Porto, in 1911, and new teacher training colleges ("medium level" schools) were opened. In addition to that, intermediate level education institutions were also established in Lisbon, Porto and Coimbra[57] (Portuguese Ministry of Education 2003). One can say that the system was developing slowly but steadily, since the medieval times, through liberalism (Liberal Revolution of 1820) until the end of the first Republic period (1910-1926), or, by other words, until the beginning of another historical layer.

In 1926, António Salazar came to power as the Finance Minister and initiated a dictatorial regime entitled *Estado Novo* that lasted about five decades, and which would end in 1974 with a non-violent revolution. The 25th April of 1974 is also known as the Carnations Revolution because these flowers were in bloom at that time of the year and were placed in the guns of the soldiers. It was a peaceful revolution since there was little resistance from the opposition forces (Sousa and Fino 2007: 607). Indeed, in order to understand the current HE system it is important to recognise the historical, social and political effects of the 25th April 1974 revolution which displaced this dictatorial regime.

During the *Estado Novo* period, the country then "(…) reverted to a situation of quasifeudalism with the most backward economy and education in Western Europe" (Solsten 1993). The battle against illiteracy was not considered a priority, as in the dictator's opinion, ignorance prevented the contamination by doctrines deemed pernicious and destabilising" (Ministry of Education 2003.

[57] These institutions had seen their status upgraded after the 1974 Revolution. "Medium level' schools were promoted to HEIs "(…) in order to redress what was considered an unjust situation which mainly penalised the less favoured classes. Intermediate level education institutions were upgraded and transformed into the Industrial and Commercial Institutes of Lisbon, Porto and Coimbra (Decree-Law 830/74, of 31 December)" (Amaral and Magalhães 2005: 118).

It was only in 1971, with the Minister of Education Veiga Simão that the Portuguese education system would gain a new impetus. After presenting the "General Ideas of the Reform of Higher Education", the Government passed on the 25th July of 1973 the Law 5/73 and the DL 402/73, which defined a new reform of the education system. In parallel, for the first time, this legislation introduced the concept of democracy within a nationalist and conservative political regime. Veiga Simão was also responsible for the expansion and diversification of the national HE system, both geographically and institutionally. Through his action, and believing that this was the only way of transforming and modernising the university, new HEIs were created. According to Veiga Simão, old universities were not capable of self-reform, which made the establishment of new institutions a vital step for the modernisation of the system (Amaral et al. 2002). In this way, for the first time, the legal homogeneity of the system had been timidly challenged once that institutions were allowed to create some optional disciplines within the traditional curricular organisation of the programmes (*ibidem*: 15)[58]. However, his reform was not fully implemented due to the military coup of April 1974, which restored the democratic state. In this way, due to the 1974 Revolution, and within a short period of time, Portugal would pass through a dramatic turn from a right wing conservative authoritarian regime to a radical left wing socialist regime (Amaral and Magalhães 2005: 118). However, stability was difficult to achieve considering that the days that followed the revolution were quite troubled. Despite the political programme of the Revolution promising a "3 D's action plan": Democracy, Decolonisation and Development, consensus was not achieved among national political players. While some aimed for a liberal democratic state, others sought radical social transformations. As a consequence, during the following two years:

> "(…) there were six provisional governments, two presidents, a failed right-wing coup attempt, a failed left-wing coup attempt, three elections, seizures of land and housing, bombings and strikes, while the country was flooded by millions of Portuguese settlers, escaping from ex-colonies at war" (Sousa and Fino 2007: 607).

A democratic commitment was achieved when the Constitution of the Portuguese Republic was passed by the Constituent Assembly on the 2nd April 1976 (*ibidem*).

[58] Amaral et al. (2002) explain that Veiga Simão was considered a modern academic of liberal ideas, who initiated a deep reform in the national educational system. With respect to higher education he diversified the system both geographically through the creation of new HEIs (the New University of Lisbon, the University of Aveiro, the University of Minho and the University Institute of Évora were founded; polytechnic institutes in Covilhã, Faro, Leiria, Setúbal, Tomar and Vila Real were established, as well as Teacher Training Schools in Beja, Bragança, Castelo Branco, Funchal, Funchal, Guarda, Lisboa, Ponta Delgada, Portalegre and Viseu), and at the institutional level, as the University of Coimbra, through its Faculty of Sciences, was allowed to lecture new courses of engineering (becoming later on the Faculty of Sciences and Technology) and it was created a new Faculty of Economy (2002: 3).

Due to more than half a century of right wing narrow-minded policies of the former dictator Oliveira Salazar, at the time of the 1974 Revolution, Portugal was still a backward country (Amaral and Magalhães 2005: 117). Consequently, as the authors refer, "(…) despite the socialist climate that followed the overthrow of the authoritarian regime, the importance of education in economic policy remained unchallenged" (Amaral and Magalhães 2008: 208). Only in 1975, the government recognised the importance of education policy as a fundamental tool in promoting economic development. As such, when Portugal was proclaimed to be a democratic State and the Constitution of 1976 declared that every citizen had the right to education, it was also declared that the state should not orientate education and culture according to any particular philosophical, aesthetic, political or religious guideline (1976 Constitution of the Portuguese Republic, §43º). In fact, as Sousa and Fino (2007) refer, immediately after the revolution

> "Education won a place in the mass media with radio and television programs and periodic pages on educational themes; there were direct consultations of the population on some educational reforms; parents' associations had the right to express their opinion on the general lines of orientation of educational reforms (…); schools themselves obtained the capacity of electing their management boards (the so-called democratic management) instead of the nominated principals (…); Azores and Madeira Autonomous Regions obtained an enlargement of decisional power on educational affairs (2007: 609).

After the political turmoil that followed the revolution, the period between 1974 and 1976 is characterised by a total openness of the higher education system to every citizen who wished to enrol in any HEI, hoping that the economic and cultural backwardness of the country would be reversed. As Amaral et al. (2002) explain, the dominant political objective during the revolutionary years (1974-1976) was ideological, aiming at completely transforming an educational system tainted by the previous dictatorial regime. The teaching doctrine (and methodology) based on the slogan "God, the Country and the Family", praising values as obedience, submission, order, respect for hierarchy and conformity, had to be substituted by values as freedom, tolerance, solidarity, etc. (2007: 609). This was clearly evident in the Programme of the Socialist Party (the winner of the first elections after the revolution), which stated:

> "The school will no longer be used as an instrument for diffusing the ideology of a society divided into classes, by means of a teacher-student relationship following the model of dominator-dominated. Education will no longer develop young people's behaviours and reflexes leading to acceptance of the aggressions of an oppressive system" (Congresso do Partido Socialista 1974: 39 *in* Amaral et al. 2002: 284).

After the 1974 Revolution, the demand for HE grew significantly, forcing the authorities to seek solutions to relieve it (Almeida and Vieira 2012: 138). Access to HE was suspended during one year, being substituted by one year of 'civic service' for students in their last year of high school with the objective to increase the integration of the university into Portuguese society and to develop students' awareness for national causes and the problems of working life (Amaral et al. 2002: 4).

A restrictive system of *numerus clausus* was introduced as an experiment in 1976-1977 and applied to all degrees the following year (Almeida and Vieira 2012). At the same time, universities were called to help in searching for answers to national problems while simultaneously using their scientific and technical capacity in the development of other public services. In one hand, HE should expand, providing vocational training and increasing the supply of its specialised services; on the other hand, it should diversify, either by creating new schools and new programmes or by differentiating some existing courses, as for example medicine (e.g. dentistry and nutrition). Another important political objective by this time was the regionalisation of some universities in order to better serve the social and economic needs of the population (Amaral et al. 2002: 4-5).

The end of the *Estado Novo* period represents then a turning point in the history of the Portuguese HE sector. It contributed to the democratisation of education by enabling the transition from an elitist system, characterised by low enrolment levels, to one of mass HE using Trow's terminology (Amaral and Teixeira 2000: 246). Until the 1970s, the national HE system was very homogenous (systematic and programmatic diversity was almost non-existent) and elitist. The four universities that existed in the country by that time were under very strong ideological governmental control (Ferreira et al. 2008: 193). The authors refer that this supervision was reflected in the recruitment of academic and administrative staff, curricular design and programme offerings, teaching and research (2008: 193). Admission to the university was a competitive process, although it could be waived whenever the student obtained a high score in the final examinations from the secondary school. In turn, this elitist system produced a small group of people, an elite, which tended to dominate the government, big business and the professions (Solsten 1993). In this way, it is not surprising that after the April Revolution there was a fast increase in the demand for HE although the signals of a dictatorial regime that lasted almost 50 years were difficult to erase (Amaral and Magalhães 2008: 208).

The country went then through a period of normalisation until the mid-1980s. Between 1976 and 1986, and as we will see later on, the binary system was consolidated and governmental policies started to change from centralised state control to less restrictive ways of regulating HEIs *(ibidem*: 5). In fact, it was in 1982 that the Universities Autonomy Law started to be prepared, entering into force in 1988.

The normalisation process of the system included also the political intention of joining the EU (Amaral, Rosa and Tavares 2007: 313), which would happen in 1986. This consolidated the shift from a right wing to a radical left wing socialist regime, which later on evolved to more centrist views and converged with European politics. Being the *modus operandi* of the EU based on Treaties, which are agreed by all constituent members, Portugal had to adapt itself to new rules and to "(…)

subjects of direct importance for the Portuguese citizens' everyday life, such as their rights to freedom, security and justice, job creation, regional development, environmental protection, in order to raise Portuguese living standards" (Sousa and Fino 2007: 608).

4.2.1 International Organisations in the Portuguese HE system

At this stage it is important to mention that much of the development of the Portuguese HE system was achieved through the recommendations and guidance of international organisations, such as the WB, the OECD and the EU.

The expansion and diversification of the system was an outcome of the action of the Minister Veiga Simão. In turn, his work was inspired by human capital theories and spurred by the OECD reports and recommendations (Amaral et al. 2002: 3). Concerns with the development of the system were of economic nature, being traditional universities seen as an obstacle. As such, if in one hand, the Veiga Simão reform is considered to have an economistic character, absorbing the OECD commandments, as it aimed to use all the available resources to reach the same development patterns that other Western European countries reached some decades ago; on the other hand it is considered that the main objective of the reform was the democratisation of education, and consequently (or through this) the democratisation of the Portuguese society. Thus, above all, Veiga Simão's reform fulfilled a function of social improvement (Stoer 1983: 818). In the Minister's view, HE, especially science and technology fields, was a tool to reach that political objective (Amaral et al. 2002: 3).

Referring to the influence of the OECD in Portuguese policies, Sacuntala de Miranda (1981 *in* Teodoro 2000: 54) used the expression *ocedeísmo* to describe the diffusion of an educational ideology based on the active participation of the country in the OECD projects. This started in the field of education, with the Mediterranean Regional Project in 1964 (OECD contributed with 15 230 USD), representing the most important legitimacy source for the positions and proposals of economic, educational planning and workforce training offices.

The WB had also an important role in the guidance and "normalisation" of Portuguese HE policies. Two different examples illustrate its role. First, and with respect to the *boom* of enrolments taking place after 1974, it was decided to introduce quantitative restraints in order to control the number of vacancies offered by HEIs and thereby as a way of preventing a loss of quality in education provision[59]. This happened through the DL 701/76 of 28th September, which

[59] In 1976 the *numerus clausus* system was firstly introduced for the courses of Medicine and Veterinary Medicine. One year later, in 1977, the Decree-Law 397/77 of 17th September extended the *numerus clausus* system to all HEIs study programmes (Amaral and Magalhães

implemented a system of *numerus clausus*. These numbers are annually fixed by the Portuguese Ministry of HE in consultation with HEIs (public and private) according to their proposals, i.e., although *numerus clausus* are established by the institution, the final decision needs to be supported by the Ministry (DGES 2012). In this sense, the WB recommendations were quite straightforward: "In view of the rapidly increased university enrolments, which represent an uneconomic drain in the economy… [the Bank recommends a] gradual introduction of quantitative restraints" (World Bank 1977: ii *in* Amaral and Magalhães 2008: 208). Amaral et al. (2002: 60) refer that the establishment of *numerus clausus* followed much more a strategy of HEIs' development than the manpower needs'. Later on, the government sought to contain the *numerus clausus* in some fields of study of the public sector (e.g. social sciences) as there was a high supply of these courses in the private sector.

A second example of the Bank's influence comes with the recommendations in terms of human resources *production*. The 1978 "World Bank Report 1807-PO" suggested that Portugal needed to train no only top-level technicians, but also needed to produce annually middle training technicians in the following occupations: short-cycle post-secondary technicians (1400), agricultural experts (500) and middle level managers (6000) (Amaral et al. 2002: 6). Both the WB and the government shared the conviction that in order to normalise its economy and join the European Economic Community, the country should promote that education would assume an active role in technical training (*ibidem*). These orientations, continue the authors, appeared later on reflected on the Education System Act of 1986, which clearly defined as one of the main objectives of Portuguese HE the training of graduates in different areas of knowledge, eligible to integrate professional sectors and to participate in the development of the Portuguese society (*ibidem*).

In Stoer (1983) and Amaral et al. (2002) views, it is valid to say that the need to catch up with European standards together with the influence of international organisations as the OECD and the World Bank (and even the IMF) led that governmental policies reflected a steady increase of education 'functionalisation' in general, and in particular of HE with respect to the issues related with the economic development of the country (Amaral et al. 2002: 7).

One can say that at this stage the involvement of the national government in HE has intensified and its regulation was seen as inevitable, given the quantitative expansion of the system. Indeed, the

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2005). As the authors explain, after the 1974 revolution many students took advantage of the new freedom to enter the schools of medicine, as this offered better prospects of upward social mobility. Thus, students who did not have a vacancy in medicine would immediately try veterinary medicine. Nevertheless, these decree-laws did not solve the problem considering that those students unable to enter either medicine or veterinary medicine enrolled in areas such as pharmacy or biological sciences. As such, the government was forced to extend the *numerus clausus* system to all higher education study programmes in 1977 (2005: 119).

establishment of mechanisms that limited access to HE in a country with a very small percentage of the relevant age cohort students attending HE should never be understood as an isolated factor. Amaral and Magalhães (2005: 119) point out that HEIs were not prepared to cope with the large increase in demand without serious disruption. Furthermore, there were no resources available to invest in expanding the system. As such,

> "The *numerus clausus* system was in general determined by the institutions' capacity in terms of physical infrastructure and academic staff rather than by market demands. This policy has protected higher education institutions from an excessive increase in enrolments but has generated very strong social tensions because many candidates have been left outside the system without any alternative" (2005: 119).

It was in this context – a huge increase in HE demand, a generalised *numerus clausus* system, and the constitutional guarantee of the freedom to learn and to teach[60] (Amaral and Magalhes 2005) – that the diversification of the system (by means of establishing private institutions of HE and a vocational subsystem) was thought. As a matter of fact, one of the reasons that highly contributed to the substantial increase in access to HE was this diversification of the system. Despite the late massification of the Portuguese HE system, one can see (table 7) that between 1980 and 2000, there was in fact a huge increase in access to HE. Whereas in 1971/1972 there were 49,461 students enrolled in HE (Ferreira et al. 2008: 194), in the academic year of 1981/1982 this number went up to 84,173 students and one decade later (1991/1992) it almost reached 200,000 enrolments. Fonseca (2012: 383) refers that during the decade of 1985 to 1995, the number of students trebled from 106,000 to 313,000. During this same period, Portugal's population grew by less than 20%, from 8.9 million in 1975 to 10.6 million in 2008 (*ibid*). However, since the mid 2000s, the total number of enrolled students started to decline. In parallel, and as Fonseca reminds, despite this extraordinary period of growth, the highest level of education attained by the active population aged 15+ is still considerably lower than the EU average (*ibid*).

Table 7 - Evolution of enrolments by type of subsystem in Portuguese HE

Type of subsystem		1971-72	1981-82	1991-92	2001-02	2006-07	2009-10	2014-15
Public	University	43 191	64 659	103 999	176 303	169 449	183 806	191 707
	Polytechnic	2 981	12 195	31 351	108 486	105 872	110 022	100 652
Total Public		46 172	76 854	135 350	284 789	275 321	293 828	292 359

[60] The authors explain that the 1976 Constitution recognised the right of all Portuguese to education. "But by sanctioning the freedom to learn and teach as a fundamental right, the Constitution opened the way for the development of private higher education" (Amaral and Magalhães 2005: 120).

Private	3 289	7 319	51 430	111 812	91 408	89 799	57 299
Total	49 461	84 173	186 780	396 601	368 982	389 841	349 658

Source: Adapted from Ferreira et al. (2008: 194), GPEARI (2011: 75) and PORDATA (2015).

Other factors explaining this "boom" in the last decades of the 21st century relate to the following set of factors: changes in population's social, cultural and economic conditions; democratisation of non-HE systems (implementation of compulsory education to 9 years and growing trends towards the universalisation of secondary education); extension of the non-HE network to the whole country; the attempt (after 1973) of speeding up human resources' training considering the country's economic backwardness when compared to other more developed countries of Western Europe and the enlargement of the public HE network through the creation of new universities and the creation of the binary system with polytechnic institutes. It also important to remember that the considerable increase of students in the national system of HE was due the fact that access requirements became less demanding (Santiago 2004; Amaral et al. 2007; Ferreira et al. 2008). For this, it much contributed the policies and ideals of Roberto Carneiro, who served as a Minister of Education in the XI Constitutional Government (1987-1991) and a great promoter of private HE. In 1989, Roberto Carneiro determined that access exams ceased to be eliminatory for getting a place in a HEI, and being used only to range candidates in the access competition without requiring a minimum score. The immediate consequence of this was to induce artificially a very rapid growth in demand, creating in this way a good market for the emergence of a large number of private HEIs. Consequently, in 1991, the number of vacancies offered by the private sector already exceeded those offered in the public sector (Amaral et al. 2002: 7). Moreover, it should also be mentioned that private HEIs are seen as a kind of a parallel system with significant less quality than the public system: "it has become common knowledge that in general most private institutions are of rather low quality" (Amaral and Teixeira 2000: 254–255).

To sum up, with respect to HE, Portugal followed the general European trend of shifting from a system of state control and legal homogeneity to a system of state supervision and institutional autonomy. Before the 1974 Revolution, and mainly due to its elitist nature, the Portuguese HE system was highly centralised. This would start to change in 1976, when the Constitution of Portugal included a reference to universities autonomy, guaranteeing its statutory, scientific, pedagogic, administrative and financial autonomy (1976 Constitution, article 76, 2). The reasons explaining this pattern of behaviour in the Portuguese context relate with the objectives of the supervision model itself. As Neave (1996) identifies and explains, this steering model possesses the advantages of

reducing the expenses of central government with the HE sector, while it maintains an effective strategic supervision on national priorities (Amaral et al. 2002: 19).

The period from 1976 to 1986 is considered the normalisation period of HE, where the polytechnic subsystem was assumed as an instrument to diversify the system (Amaral et al. 2002). The binary system was consolidated and a shift from a centralised system, based on state control over HEIs, to a less centralised one was initiated (Santiago and Carvalho 2004: 431). In parallel, HE continued to be present in political discourses and it was already assumed as a fundamental support to economic development, while simultaneously serving the creation of a new society and a new humanism, and against a disputed capitalist ideology (*ibidem*).

4.3 Institutional Autonomy

According to Pedrosa et al. (2012: 16), the autonomy of public HEIs from the state generally refers to the ability granted to them by law to carry out their own choices in pursuing their own mission; it involves both the legal rights and duties that they are bounded, as well as the funding method and allocation of other resources. The academic freedom and self-government are recognised in most of the institutions' statutes and they are critical pillars of HE autonomy.

Autonomy is not a recent achievement of Portuguese universities (Amaral 2003: 33). After the implementation of Republic in 1911, the Universities of Porto, Coimbra, Lisbon and Porto, their faculties, schools and integrated establishments had an autonomy regime with a high degree of internal decentralisation, whereby universities' administration was up to senates, and the administration of faculties and non-integrated schools felt to school boards (*ibid*). Nevertheless, this autonomy was completely voided by Oliveira Salazar in 1952 (DL 38692 of 21st March). Indeed, during the whole *Estado Novo* period, the conception of autonomy was significantly incipient when compared to what "institutional autonomy" is today. As Amaral (2003) explained, autonomy was only applied in terms of the election of the Rector (although in 1928, Rectors stopped to be elected, being again freely chosen and appointed by the government) or associative autonomy from the Academy side. Academic freedom ceased to exist after Salazar came into power. The year 1936 is quite illustrative of this: the elections for the Academic Association of Coimbra were suspended and an administrative commission was appointed, students were no longer represented in the University Senate and General Assembly, and it was published the DL no. 27 003 (14th September of 1936), which required all civil servants to take the oath of allegiance to the regime.

Institutional autonomy was reinforced in 1988 with the publication of the Autonomy Law of Universities (Law 108/88) that conferred on public HEIs a high degree of freedom for establishing their statutes, together with educational, scientific, administrative and financial autonomy. Two years

later, autonomy was also granted to public polytechnics through Law 54/90, although more limited in scope as polytechnics need prior approval from the government to create new programmes (Amaral et al. 2002; Santiago and Carvalho 2004). These laws represent an important step towards institutional self-regulation once they invested universities with powers to decide on their internal matters (Amaral et al. 2002: 12).

Law 108/88 also regulates universities' government bodies: the University Assembly, the Rector, the Senate and the Administrative Council. This is a typical collegial system with the participation of the three governing bodies of the university. The system is defined as "democratic", where the legitimacy of the exercise of power is based on elections for most positions. Whenever the statutes allow for it, the civil society can intervene, participating in the Senate by 15% (§24º, nr. 3), or in consultative/advisory bodies (§16º, nr. 4). In some (special) cases, the University Assembly has the power to dismiss the Rector (Amaral 2003: 39; 57).

In 1997, universities' financial autonomy increased substantially through the DL 252/97 of 26th September, which transferred to universities all real estate that was until then owned by the state (Amaral et al. 2002: 9). The consolidation of institutions' autonomy was accompanied by the awareness of the responsibility that their role in the economic development entailed. Simultaneously, HEIs assumed as their own business the connections between their development programmes with the regions they were located and with the objectives of national policy and also with the EU policies and programmes (Amaral et al. 2002: 9). Nevertheless, in 2000, the Law 26/2000 of 23rd August (Law for the Organisation and Planning of HE) was passed, which decreased the autonomy of universities in terms of creation and changes of programmes, since the Law reinforces the supervision requirements by the Ministry of Education for the registration of programmes. The Ministry could refuse the registration of the programmes in case of any irregularities in the way they were designed. If that happened, the courses could not be taught (Amaral et al. 2002: 13). Amaral et al. (2002) explain that in practice, the control that the Ministry had over private HEIs and public polytechnics was then extended to public universities.

It should be reminded that during the period that passed between the approval of the Portuguese Constitution of 1976 and the Universities Autonomy Law of 1988, the system developed and increased in complexity as that participation rates have also grown. Therefore, it was necessary to find some strategies in terms of institutional autonomy to deal with these developments and with "bureaucratic bottlenecks" (Amaral et al. 2002: 16). Also because Law 108/88 imposed single governance model to all universities, without taking into account their own specificities (Amaral 2003: 39). After the democratic revolution of 1974, the rectors started to be elected instead of being appointed by the Minister of Education, and it was transferred to universities the responsibility of

renovation and construction of buildings (Amaral et al. 2002). At present, the situation changed substantially. Although Portuguese polytechnics enjoyed a lower degree of autonomy, namely with respect to the creation of new programmes (because they needed the Ministry prior approval when registering their programmes), when compared to Finland, and until quite recently, Portuguese HEIs were conferred higher degree of autonomy than their Finnish counterparts. This does not mean that academics have been gained more academic freedom: institutional autonomy does not imply more academic freedom (chapter VI).

The last two decades correspond to the period in which Portuguese HE has undergone the most significant changes with respect to the structure of the system, the programmatic offer, visibility within the international arena and in the way HEIs organised their internal governing bodies. The system acquired new dimensions and audiences; it became more scattered geographically, and the number of women attending HEIs grew rapidly (Almeida and Vieira 2012). It is fair to say that Portugal caught up with its fellow European countries through a very rapid transformation (30 years) of its HE system (Diogo 2014b).

4.4 Origins and Developments of the Finnish University System

After being a part of Sweden and since the early 19th century (1809) an archduchy of Russia, Finland became an independent nation in 1917 (Sweden would lose Finland to Russia during the Napoleonic wars fought in 1809-12). In this way, it has been said that during this period Finland developed from a geographical concept into a political one (Välimaa 2001; 2007: 69)[61]. After the civil war of 1918 and the Second World War, Finland was able to position itself as one of the best European economies and built a typical Scandinavian welfare state (Esping-Andersen 1990).

(Naturally), due to the country's history, its HE *journey* is shorter than the Portuguese one. The first national HE institution was the University of Turku, founded in 1640. During Russian rule it was moved to the new capital, Helsinki, in 1828, reopening as the Imperial Alexander University of Finland. It remained Finland's only institution of HE until 1908, when the present Helsinki University of Technology was founded. The University of Turku trained civil servants for the Kingdom thus replacing the former practice of sending Finnish students abroad (Välimaa 2001: 13). In fact, training civil servants has always been an important social function of Finnish HE, also

[61] Finland was invaded by Sweden and the Roman Catholic Church in the 12th century tying the country culturally, politically and economically to Western Europe, whereas the political powers of Eastern Europe, mainly Russia, spread to Eastern Finland, Karelia (Välimaa 2001). Thus, since the Middle Ages, Finland has been a borderland between the Eastern and Western European cultures and between the Roman Catholic and Orthodox Churches; a reality that, according to Samuel Huntington (1998) still holds today (*in* Välimaa 2001: 7).

because the majority of university students have been and are still employed by the public sector (Välimaa 2005: 247). At that time, Finland was still part of the Swedish Kingdom and universities served mainly the purposes of the Lutheran Church and those of the Swedish King (Välimaa 2001; 2007). The Åbo Academy University, a Swedish-language institution, was founded in 1917 and three years later, in 1920, a Finnish-language University was established in Turku. Compulsory education was introduced in 1921 (Rinne et al. 2000: 30).

Drawing on the work of Kivinen, Rinne and Ketonen (1993), Välimaa (2005: 245) refers that it is possible to distinguish in Finland, after the Second World War, three periods influenced by different doctrines of HE policy making.

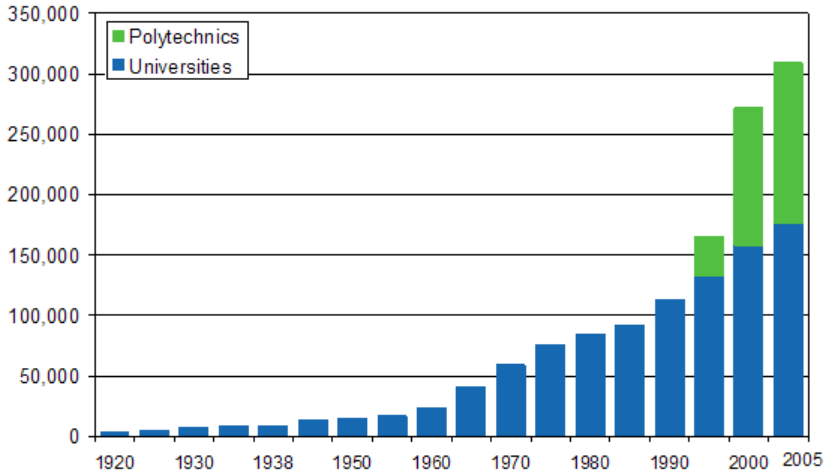
Until the mid-1900s universities had existed only in Turku and Helsinki, and education was mainly for the elite. Hölttä (1988) and Välimaa (2007: 70) refer that University professors enjoyed a high social status and many of them acted as ministers in the governments of the 1920s and 1930s. Also prior to that date, when Finland was still ruled by Sweden (until 1809), the Royal Government had representatives in the university. Political control over academics was later on strengthened when the country was under Russian domain, from 1809 to 1917 (Hölttä 1988: 92; 2000: 466). Notwithstanding, highlights the author, the academic profession has generally been involved in the leadership of the state: Swedish, Russian as well as Finnish leaders, since the early times of the independence, were recruited from universities (*ibid*). Indeed, Treuthardt and Välimaa (2008: 609) refer that the development of a Finnish conception of university laid on two main principles. The first one was the idea that universities are national cultural institutions. As a matter of fact, during the 19th and the 20th centuries, universities were an essential factor in the creation of the Finnish national identity. Secondly, university and HE have always been considered important aspects of the development of the nation and the nation state (2008: 609). In this sense, the high social prestige of universities and university degrees remains one of the most emblematic realities in Finland at the beginning of the 21st century. Finnish society has a very positive attitude towards education which has been considered important throughout the Finnish history. Universities and university degrees still retain a high social prestige in Finland (Välimaa 2001), while in Portugal, the value of a university degree has depreciated (Almeida and Vieira 2012: 155). Välimaa (2007: 70) draws attention to the fact that this might be difficult to understand in a mass HE system, when HE degrees' value in the labour market is diminishing. Välimaa (2007) then explains that this Finnish peculiarity should be grasped beyond rational choice theories. Instead, one needs to take into account the history and culture of the country during which HE degrees were both highly appreciated and secured a good position in society. "The high reputation of a higher education degree is a cultural assumption, which has a strong symbolic continuity" (*ibid*).

The social status of Professors has traditionally been high in Finland (Hölttä 1988: 92; Välimaa 2007). As Hölttä (1988: 92) explains, Professors had an important role in the struggle for political independence of the country, as well as in its cultural and linguistic identity. Indeed, the social status of HE and the academic profession was so high that the University of Helsinki was granted the right of autonomy in the constitution of Finland in 1919 (*ibid*). Also in Portugal, as explained by Teresa Carvalho (2012: 333-334), during the dictatorship period, academia could be classified as an elite profession. This classification is based n three characteristics: due to the i) social prestige academic professionals enjoyed amongst most professionals in the country; ii) academics were a small minority, whose selection procedures for academic positions were so rigorous that only a "privileged elite" was permitted to acquire this status; and, at last due to iii) the government involvement, considering that during the "Estado Novo" period, the number of ministers who previously held professorial posts was a particularly pronounced feature in Portugal, a fact that was qualified as "catedratocracia (Gallagher 1981 *in* Carvalho 2012: 334), i.e. an autocracy of full professors.

The National Committee for HE, which operated from 1952 to 1956, drew up the first national guidelines for HE policy and research. Since then, the government adopts a Development Plan for Education and University Research for a six-year period, which did not happen until then – the Finnish university system grew without any clear national policy up to the 1950s (Eurydice 2000: 458). At present, educational legislation is passed by the Parliament that also determines the overall lines of education policy (Ministry of Education 2001: 5).

Between the 1950s and 1960s, Finland had around 4 million inhabitants, 4 universities, one university-level arts college and institutions specialising in the fields of economics and technology were created, though HE was mainly concentrated in Southern Finland. In the 1950s, nearly 15000 university students were attending one of these HEIs and ten years later the threshold of 20,000 students had been exceeded (Statistics Finland 2012), as can be seen in figure 6.

Figure 6 - Students attending HE 1920-2005



Source: Statistics Finland (2012).

Table 8 – Number of students attending Finnish HE from 2001 to 2014

Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Students	162 939	164 312	169 846	173 974	176 061	176 555	176 304	164 068	168 475	169 404	168 983	169 041	167 179	163 759

Source: Statistics Finland (2015).

This was the period of academic and traditional doctrine characterised by strong values based on the Humboldtian ideas of a university, linking research and teaching and a weak Ministry of Education (Välimaa 2005: 245; OECD 2009). Indeed, the idea of the university as an institution with full autonomy and academic freedom of its professors and which focused on the moral development of students during their studies has been deeply rooted in Finnish academic world (Välimaa 2006; Hölttä 1988, 2000). According to Hölttä (1988), this view has had implications in the institutional structure of the Finnish HE system: the new institutions founded in the 1960s and even in the 1970s would follow the model of the research university, although at the beginning they were more like regional colleges than real research universities (1988: 91). However, the rapid expansion of Finnish HE in the 1960s ended this first era, and the new thinking meant that HE would become a part of regional politics, associated with the idea of keeping the whole country progressive (Rinne 2010).

The second period of Finnish HE policy making is characterised by the systematic development of the system on the basis of HE development acts (Välimaa 2005: 245). The first HE development act covered the years from 1966 to 1981, although the Act's validity was later extended to 1986, due

to economic recession of the mid 1970s (Hölttä 1988: 94)[62]. However, despite the fact that this situation posed several constraints to the state budget, the Finnish HE system was protected from financial cutbacks. For two decades, the system was planned, developed and organised based on this Act (Eurydice 2010: 458; Hölttä 1988: 93). This was an outcome of the consolidation of the welfare state which focused on educational reforms, namely on the provision of public and egalitarian education, increasing the length of compulsory education to nine years (*peruskoulu*).

Through the 1960s and 1970s, and continuing on the basis of this type of policy organisation (HE development acts), Finland witnessed a rapid growth and regional expansion of the HE system (Välimaa 2005), by means of locating universities evenly throughout the country with the objective of enhancing social and geographical equality, by promoting access to universities and increasing the development of rural areas (*ibid*). In fact, the expansion of HE has been supported by the *egalitarian* policy principle in all the Nordic countries (Välimaa 2001). The aim was to offer university education to one fifth of each age group[63]. Then, in order to increase the number of students in HE and to ensure a balanced regional development, the university network also expanded to Eastern and Northern Finland, considering that the provision of HE was heavily concentrated in the southern parts of Finland (Eurydice 2000: 457). As a matter of fact, Hölttä (1988) refers that in the early 1960s, only 6% of student places were to be founded outside Helsinki and Turku, whereas in the late 1980s about 40% of students were enrolled in institutions in rural areas. The University of Oulu was then founded in 1958.

Another objective during this time was to foster leadership and management in Finnish HEIs, while simultaneously introducing accountability and quality assessment into the system (Välimaa 1994). Despite quite reasonable social an economic development, universities' steering system was considered too rigid and centralised and institutional university management was poorly efficient (Eurydice 2010: 458). One should remember that the creation of a uniform and regionally distributed university system was achieved by means of centralised control and bureaucratic procedures; a strategy used during the 1960s and the 1970s, when Finland was (still) described as a "static society" (Hölttä and Rekilä 2003: 63). As such, the Finnish HE system would be submitted to substantial structural change during the 1970s: a regional decentralisation with the objective of achieving economic and cultural integration of the Finnish nation and territory (Hölttä 1988: 94). Nevertheless, as aforementioned, the economic recession in the middle of the 1970s, and the

[62] In the 1970s, the Finnish growth went through a trouble period on the occasion of two petroleum crises in 1973 (the "oil price shock") and 1979, and the 1973-1974 stock market crash.

[63] The term "age group" is commonly used in the Finnish education system to refer to those students born in the same year (Eurydice 2000: 457).

constraints it placed on the state budget, made the implementation of the Development Act difficult, and therefore there was the need to extend its validation period from 1981 to 1986 (*ibid*). During the second half of the 1970s it was also time to do an extensive reform of the Finnish degree system, where academic and vocational elements were combined in the study programmes of the basic degrees (*ibid*).

Välimaa (2001: 26) identified other socio-political processes which, "in interaction and in various combinations", also contributed to the expansion and development of Finnish HE during the 20th century. These "social forces" (Välimaa 2001) were the industrialisation and labour market needs; political struggles between Finnish-speakers and Swedish-speakers; the academic drift and the regional policy principle combined with the construction of the welfare state, supported by all major political parties. Creating equal educational opportunities – including equal access to HE – became one of the most important objectives of Finnish HE policy from the 1960s and the 1990s. The expansion of HE was supported by the regional policy principle that all major provinces were allowed to establish a university of their own during this period (Treuthardt and Välimaa 2008). Rinne et al. (2000) add to this list factors like immigration and diminution of age classes and Kivinen (2007) points to the student grant system set up in the 1970s as an important factor contributing to the expansion of Finnish HE. Nevertheless, as it is documented in the Eurydice report (2010: 458), the rapid expansion of the Finnish HE system during the 1960s and 1970s was not altogether favourable. This is due to the great majority of students being enrolled in humanities and social sciences – disciplinary fields which were/are less resource demanding than technology or natural sciences. Consequently, this situation led to disparities between the provision of graduates and the actual demands of the labour market. That is why this first Act also sought to ensure sufficient financial support to universities combined with a better coordination between educational offer and the world of work (Eurydice 2010).

Similarly to Portugal, although used to justify compulsory school reform, in Finland, the human capital argument was also crucial to boost interest in HE policies, as pointed out by Rinne et al.:

> "Most of the population in all occupations are about to work in such tasks that their efficiency can be increased immediately by education. This leads us to an educated society and it is at the same time the rational case for increasing education" (Committee of School Reform 1966: A 12, 9-10, 99-100 *in* Rinne et al. 2000: 27).

These developments need to be framed within a broader context of change, i.e., they result from the government's ideal of rational planning (Välimaa 2005: 250). In fact, important educational decisions were also made at the beginning of the 1970s: as for example, teacher education and training was incorporated into universities, and institutes providing translation studies were merged with universities in 1981 (Eurydice 2000: 457). Also universities' administration and decision-making

processes as well as universities' regulations concerning professors were reformed at the turn the 1960s and the 1970s (Välimaa 2005). Aiming at abolishing the traditional authority of professors in the decision-making bodies, the government thought about introducing democratic decision-making practices into all university councils and establishing universal suffrage in university (*ibid*). Naturally, the academia did not welcome this reform and the rectors of the universities created in 1968 the Finnish Council of University Rectors. The draft law presented by the Council of State proposed that the universities' regulations concerning professors were thus reformed into more democratic versions (Välimaa 2005). The new system had representation quotas for three groups: professors, non-academic staff and students. The three groups' representation penetrated all levels of governance, i.e., departmental, faculty and university (*ibid*). Nevertheless, as Välimaa states, this change was highly resisted by professors "(…) who established their trade union in 1969 to fight against the reform, whereas the students supported it" (2005: 250). Universities' governance fell then under the state regulation and academic self-governance model because the draft law did not pass the parliament (it was supported by the government, constituted by the Centre party and the Social Democrats, but resisted by the opposition, mainly right-wing parties) (Kivinen, Rinne and Ketonen 1993: 80-106 *in* Välimaa 2005: 250-51). It was also during this stage, about two decades earlier than in other Nordic countries, that the Finnish HE system reached the level of mass HE (Välimaa 1994; 2007: 71; Välimaa and Treuthardt 2008: 609).

This doctrine would come to an end in the middle of the 1980s, when the policies of rational planning did not work very well anymore (Välimaa 2005: 245). Slowly but steadily, the "closed system approach" (Hölttä and Rekilä 2003: 63) gave way to the "open system strategy" during the 1980s and 1990s, a time when great efforts to link HE policy to other areas of social and economic life were made. This process was stimulated by the rapid economic growth the country lived by that time, an increase in the number of people with general upper-secondary education, a strong demand for academically educated labour in working life as well as demands for educational equality[64] (Rinne, et al. 2000). As such, the 1980s marked a breaking point in the HE policy based on rational planning. The transition to the new HE management policy started in the middle 1980s when the Ministry of Education reformulated the national policy goals, and a new HE Development Act came into force

[64] It is important to mention that at the beginning of the 1960s the political power in the educational field shifted. In 1963 the Parliament forced government to reform the educational system along the principles of comprehensive schooling (Rinne et al. 2000: 30). In the Parliament, the left and centre/agrarian parties were the impetus behind the reform. Simultaneously, for the first time there was a powerful representation of the Social Democratic Party, which together with Communists demanded equality of educational opportunities regardless of social background. In turn, the agrarian party was more interested in reform education due to regional policies (Rinne et al. 2000: 30).

at the beginning of 1987. This also marks the third period (or another historical layer) of Finnish HE, which started with the HE Development Act of 1986 (1052/1986 – *Laki korkeakoululaitoksen kehittämisestä*). The Act was drawn for the period of 1986-91 and government efforts were driven towards the enhancement of universities' autonomy and efficiency (Välimaa 2005: 245). The objective of the 1986 Act was to guarantee stable resource development for universities until the mid-1990s and to prepare the ground for internal reform (Rinne et al. 2000: 31). Effective planning and cooperation started to be emphasised in research activities and university evaluation was developed. The internationalisation of education started to be planned in the 1980s and in 1987 the FMEC designed a strategy for internationalisation of HE with clearly defined quantitative targets for international student exchanges (Eurydice 2000: 468)[65].

The acceptance of this Act was quite consensual considering that, until then, Finland had been one of the most centralised HE systems in Europe in terms of governance control (Hölttä and Rekilä 2003: 61). The internal organisation and decision-making of the universities was regulated by administrative orders and decrees and other aspects of academic life were thoroughly determined. Examples of this centralisation are the state university budget, which stipulates the allocation of funds in detail; the decrees on studies and degrees included detailed stipulations on the curricula and the provision of instruction and teachers' duties were laid down in detail in collective agreements (Eurydice 2000: 462). Thus, since the late 1980s the administrative structures have been streamlined by reducing the number of levels and by delegating authority to the rector, deans and other heads of units who are now charged with most responsibility for the internal operations of universities (Eurydice 2000). Furthermore, and being an exceptional trend in most Western Europe, towards the end of the 1980s and on the basis of this legislation, the government guaranteed universities their basic resources together with 15% annual growth in appropriations related to research and instruction (e.g. salaries, scholarships and appropriations for research materials). Such scenario meant very favourable economic conditions for Finnish universities (Hölttä and Rekilä 2003; Välimaa 2005). Nevertheless, the government agreed previously on some requirements for these measures take effect, namely:

i) HEIs should be able to improve the conditions for setting performance goals as well as to improve the conditions to decide on the use of funds allocated to them;

[65] With respect to internationalisation strategies, it was stipulated that by the end of the 1990s every postgraduate student and at least 5,000 students per year attending a second-cycle degree should spend at least one academic semester studying abroad. For more data on Finnish HE internationalisation policies and developments, see: http://www.hsv.se/download/18.539a949110f3d5914ec800082193/9708S.pdf

ii) research carried out in HEIs should be more systemic and quality and efficiency should be improved in cooperation initiatives among HEIs;

iii) all universities should apply a performance evaluation system able to provide comparable and sufficient information about outputs, as well as research and teaching costs and to report regularly to the Ministry the results of their activities; and

iv) when allocating new resources, universities should take into account the results obtained in their research activities (Höltta and Rekilä 2003: 60-61). These preconditions are considered to be the basis of what would be later known as the "management by results" mode of governance (*ibidem*) – the general governance model of Finnish HE.

Although the government's promise failed, funding rose steadily until the 1990s (2005: 248), contrary to what was happening in most European countries. Again, one needs to understand this *exceptionalism* in the light of historical and cultural factors. The ambition of expanding HE throughout the whole country and providing equal educational opportunities became important objectives of a welfare state agenda supported by the major political parties from the 1960s to the 1990s (Välimaa 2007: 70), as aforementioned.

The 1986 Act paved thus the way for internal reform of the system as there was a shift in universities' governance modes: from steering through legislation (through Universities Acts) to steering by results (Välimaa 2005). In fact, the basic principles of the steering by results model have already been enacted when the government decided on the preconditions for which it would provide a remarkable additional funding to Finnish universities during the years 1988-91, as aforementioned. In this way, the basic elements of the new steering strategy of the government (a governance model based on outputs) were laid first within the HE sector, namely in the university system, even before the general public sector reform was implemented (Hölttä and Rekilä 2003: 61). However, Hölttä and Rekilä also point to the fact that this steering model would end up to work as a tool for governments to provide universities with the *autonomy* to "… do the dirty work of institutional level cutbacks by themselves" (*ibidem*), when the country went through a deep recession in the 1990s.

The 1990s marked a turning point in the Finnish economic and social prosperity, when the country was hit by a severe economic recession in 1991. Rinne (2004: 93) refers that the recession reached its deepest point in 1993, when the unemployment rate was at approximately 20%, the interest rate at 15% and the GNP decreasing for many consecutive years. "Suddenly, Finland was with Spain and Ireland at the top of the unemployment statistics in Europe, leaving behind the old days of almost full employment" (Blom 1999: 16 *in* Rinne 2004: 93).

Under the "national innovation system"[66] programme in the 1990s, investments in research and development were made, aiming at creating new innovations and productivity (Kivinen 2007; Hölttä and Malkki 2000)[67]. The official national rhetoric put then attention on HEIs as part of the national innovation strategy (Treuthardt and Välimaa 2008). As part of the national innovation system, it was established in 1985 the KOTA-reporting mechanisms between universities and the Ministry of Education (Rinne 2004). The 1990s were also the time for the latest expansion of the university network. Structural changes during this decade include the Academy of Fine Arts gaining university status in 1993 and the College of veterinary medicine, previously an independent university, being annexed as a faculty of the University of Helsinki in 1995 (Eurydice 2000: 457). In addition to this, and within a context of crisis, the major reform introduced in the country was the establishment of professional HEIs in 1992, when the government authorised 22 temporary vocational HEIs (Välimaa 2005: 259), as analysed later on in this chapter. However, in 1991, there was a change in government, and universities' economic growth started to slow down. In 1992 the budget was frozen to the level of 1991, when the country was hit by the economic recession (Välimaa 2005: 248). Thus, due to the budget cutbacks made in 1993, it was difficult to continue following the 1986 Act of HE. In this way, a new HE Development Act (the III Act) was launched in 1999 covering the years of 1999 until 2004.

It should also be mentioned that in the beginning of 1995, as a result of the Government's decision to improve arrangements for research training, postgraduate schools offering a considerable number of full-time positions in research training were established. In parallel, during the period of this II HE Development Act the Student Financial Aid was rethought. The new Act on Student Financial Aid (65/1994) stipulated that a student can get financial aid for a period no longer than 55 months for a higher academic (second-cycle) degree. This period can be lengthened in cases of illness and/or for students of certain disciplines (e.g.: the extent of the first degree can be longer for an unusually demanding syllabus as medicine, some languages not taught at secondary schools) (Eurydice 2000: 461).

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[66] Aarrevaara and Hölttä (2007) highlight that "the coordination of the national innovation system in Finland is in the hands of political leadership at the highest level. The national science, technology and innovation policies are formulated by the Science and Technology Policy Council, which is chaired by the Prime Minister" (2007: 205). This Council has as main functions to advise the government on issues related to science and technology, the general development of scientific research and research training, and Finnish participation in international scientific and technological cooperation (*ibidem*).

[67] Despite the huge investment that Finland takes in R&D (the country exceeds the 3% benchmark share of its GDP in R&D that was set in the Lisbon Strategy), the author states that these investments have not produced the wished outcomes, which would be, for example: new companies, innovations and growth in experts (Kivinen 2007: 195).

The changed steering system consolidated during the III HE Development Act provided universities with extensive freedom of action. The role of the government is restricted to strategic plans and target-setting and monitoring the overall performance of the universities (Eurydice 2000: 462). On should remember that result-oriented management was introduced in the late 1980s when university budgets began to include performance-based funds. Under this system, institutional objectives and the resources needed to achieve them were determined in negotiations between the Ministry of Education and each HEI. However, the funding system reform only started in 1996 (Eurydice 2008: 19). This reform involved a formula based on the agreed target number of second-cycle (masters) and doctoral degrees (Eurydice 2000: 463). At the present, about three-quarters of the university education budget is financed from the state budget through the Ministry of Education. The rest comes mainly through the Academy of Finland which finances basic research and researcher training in universities, other ministries and research institutes. Universities also receive a great deal of external financing, e.g. for research projects, and have income from services they provide, such as continuing professional education (Eurydice 2008; FMEC 2012). From November 2003 until December 2007, the entire public sector went through structural reforms under the national Productivity Programme. The aim of this programme was to improve productivity and efficiency of public service provision. This programme would impact personnel policies and organisational structures of universities: for example, some administrative services were transferred to Service Centres established by collaborating institutions, and alternative production models were debated from the regional perspective (Eurydice 2008: 28).

The IV HE Development Act (1997/645) continues to focus on the importance of HE to educate students to serve their country and attests the importance of achieving a high international level of research, education and teaching. The update of this Act (715/2004) pays more attention to the 'Third Mission of Universities' – that is, the social utility of HE and cooperation among HE institutions, business enterprises and society (Välimaa and Neuvonen-Rauhala 2008: 82), as can be seen by the following citation of the Amendment of the Universities Act 1997/645:

> "The mission of the university shall be to promote free research and scientific and artistic education, to provide higher education based on research, and to educate young people to serve their country and humanity. *In carrying out their mission, the universities shall interact with the surrounding society and promote the societal impact of research findings and artistic activities*" (Universities Act1997/645 §1°, italics by the author to emphasise what has been added in the Amendment 715/2004).

According to Välimaa and Neuvonen-Rauhala (2008) this addition to the Law "(…) not only shows that the Finnish government wishes to regulate the functioning and objectives of the universities but also indicates that universities are seen as an integral and useful part of society" (2008: 83). Table 9 summarises the most important periods of Finnish HE.

Table 9 - Summary of the most important periods of the Finnish HE system

1st Period: 1917 - 1950s **Cultural University**	- Elitist HE system with 4 universities in the country (University of Helsinki; Helsinki University of Technology; Åbo Academy University and a Finnish Language University).
2nd Period: I Act: 1966 - 1986 **Research and Service University**	- Regional decentralisation + Reform of the degree system - Introduction of accountability and quality assessment into the system - 1st OECD Evaluation of Finnish educational policy (1982) - Establishment of the KOTA-reporting mechanism between universities and the Ministry of Education (1985) - Mass HE system
3rd Period: II Act: 1987 - 1996 **Enterprise University**	- Increment of universities' autonomy and efficiency - Development of university evaluation - Establishment of polytechnics (1991; 1995) - First funds by result are distributed to universities - Implementation of management and budgeting by results - 2nd OECD assessment to the Finnish HE system - Government development plan for education and university research for 1995-2000 - Establishment of FINHEEC (1995)
III Act: 1997-2004 Enterprise University	- Consolidation of management by results and competition doctrine - First evaluation of the state and quality of scientific research in Finland by the Academy of Finland (1997) - First three-year agreement period (1998-2000) between the Ministry and universities - Government development plan for education and research for 1999-2004 - Extra budget and increase in basic university funding after the funding crisis
IV Act: 2004 - 2009 Entrepreneurial University	- Implementation of the Bologna process and emphasis on the *harmonisation of* the European HE region and degree system - Implementation of the performance-based salary system - Since 2006, universities have been allowed to establish companies, though it did happen until present.
V Act: 2009 – present **The Business University***	- Marketization of academic capital - Privatisation of Finnish universities through the latest Universities Act (558/2009)

* Researcher's denomination
Source: Adapted from Rinne (2004).

4.4.1 Support of International Organisations in the Finnish HE system

Through different paths from Portugal, the OECD has also its history in Finnish HE policy. In 1992 the OECD made the first evaluation of Finnish educational policy (Rinne 2004). Several authors have been consensual about the fact that not only Finland has been the EU's star pupil concerning the implementation of HE policies, but it has also been exemplarily devoted to OECD's recommendations (Kivinen 2007: 194; Kallo 2009). As Kallo (2009) concludes in her thorough

research: "OECD country and thematic reviews have regularly preceded legislative reforms of the national HE system from the 1980s until the present day" (2009: 368). In fact, two important reforms in the Finnish HE system catalysed by the OECD were the managerial reforms and the decision to create in the mid-1990s a binary system by establishing polytechnics (Rinne, Kallo and Hokka 2004; Kallo 2009; Kauko 2011).

4.5 Diversification of the system: creation and development of the vocational sector in Portugal

Before the official and effective establishment of the vocational sector, Portugal had only university education, namely four public universities, which explain the low students enrolments (Teixeira, Amaral and Rosa 2006).

The vocational sector was formally established in 1973 through the Reform Act passed by the National Assembly on the 25th July (DL 402/73), under the so-called 'Veiga Simão Reform'. Thus, the new national HE system included on one hand, short-cycle HE with a predominantly vocational character, and which focused on the transition of students to the employment market and, on the other hand, it would maintain the university training, characterised by a stronger theoretical bias (Almeida and Vieira 2012: 138). However, due to the 1974 revolution, the process of expansion and development of the sector was disrupted. Still, the binary conception of HE as it was formatted in 1973 endures up to the present (*ibidem*). It was only in 1977 that the DL 427-B/77 of 14th October instituted polytechnic HE as "… short-term higher education aiming at training expert technicians and professionals of education at an intermediate level of higher education" (DL 427-B/77, §1º). This explicit policy intention not only aimed for the diversification of the system, "either by creating new schools and new courses or by differentiating some already established courses such as Medicine, Dental Medicine and Nutrition" (Amaral et al. 2007: 315), but also "to meet urgent needs in various economic sectors through the training of qualified technicians in activities which are clearly lacking and even absent in the country" DL 427-B/77, §1º).

From 1977 to 1981 there was a clarification of the strategic guiding principles defining the objectives of the polytechnic subsystem, namely bringing it closer to the economic and social needs of the country (Amaral et al. 2002: 21). For this strategic guidance to happen, it much contributed the OECD reports and recommendations as well as the focus on the 'human capital' theory (Amaral and Magalhães 2005: 117; Amaral et al. 2007: 314). Nonetheless, this decision, as Amaral et al. (2002: 21) explain, was not based on any credible prospective analysis of the sectorial and global demand, resulting from the development dynamics of the Portuguese economy. It was rather based

on an accumulation of diffuse beliefs, as well as on a number of intuitions on the predictable effects of the polytechnic skilled manpower on the economy. These beliefs related with:

i) a sense of loss due to the extinction of secondary technical schools and middle level education schools as a consequence of the education reforms after the 1974 Revolution;

ii) the idea that the regionalisation of an intermediate network of HE would be a powerful tool for the economic and social development of the country, while simultaneously allowing to rebuild or consolidate management intermediate structures and/or activities in industrial and services organisations;

iii) an overemphasis of the advantages of having human resources with specialised narrowband training while universities would provide broadband programmes;

iv) a clear lack of confidence towards the universities' capacities, (especially the classic ones) to redirect part of their training and research programmes to specialised labour market niches (Ferreira et al. 2008: 193); and

v) the democratisation of HE by providing a local choice for HE to students coming from technical professional secondary schools (Amaral et al. 2002: 22).

By decentralising the supply of HE, which used to be concentrated in Lisbon, Porto and Coimbra, the system would be available to students in their region and thereby it would speed up the dynamics of regional development (Almeida and Vieira 2012: 138). The regionalisation and diversification of HE would not only promote more equality in accessing HE, but it would also allow more diversity in terms of student choice, while simultaneously, it would be a solution for the demographic pressures resulting from increased compulsory schooling.

Being the more developed countries of Western Europe the comparison target (or the examples to follow), the main expectation with the diversification of the system was that the binary organisation would stimulate economic competitiveness and would better prepare people to the requisites of the labour market (Magalhães 2004). Simultaneously, the diversification of the system was also seen as a tool to facilitate industrialisation and to develop the services sector. In sum, as Amaral et al. (2003: 23) explain, the Portuguese industry was in great need for manpower at intermediate level, able to perform more concrete and practical work, rather than a more skilled workforce, which was already being produced in universities – perhaps in excess (*ibidem*: 22).

It was in this context that in 1979, this short-term HE (technical and teacher training colleges) was renamed as "polytechnic HE" through the DL 513-T/79, being successfully promoted by the ministers of education and the World Bank (Amaral and Magalhães 2005: 124; Ferreira et al. 2008: 193). Moreover, the link with the economic and regional development was reinforced through the agreement on specific objectives concerning the institutional mission of public polytechnics, which

was meant to be different from "the more conceptual and theoretical characteristics" of universities (Magalhães 2004: 303). As such, polytechnics were expected to develop non-traditional research areas.

The development of the vocational subsystem was also strongly motivated by another attractive political objective namely to increase the chances of Portugal becoming a EU member. The priorities and attentions were therefore turned to other European countries in order to act strategically in terms of quantity, quality and access procedures (Amaral et al. 2007). With respect to quantity, it was believed that it would be necessary to expand and diversify the system by implementing a binary structural organisation and simultaneously by allowing the emergence of the private subsystem. This required a continuous effort in a developing public universities network by granting increased institutional autonomy to it. As aforementioned, this was the time when autonomy laws started to be prepared, becoming a reality in 1988. Simultaneously, it was necessary to regulate the size of the HE system by means of access policies (Amaral and Magalhães 2005; Amaral et al. 2007: 315).

Referring to the recommendations of the World Bank, the authors explain that "(…) without reducing the supply of university graduates, particularly in engineering, graduates from the polytechnics might find employment opportunities scarce; the Bank saw this as a threat to the new vocational education programmes" (Amaral and Magalhães 2008: 208). In addition, the 1978 World Bank Report (no. 1807-PO) suggested that, as regards manpower provision, Portugal needed to train not only high level technicians, but also middle level personnel (technicians with short cycle post-secondary education, i.e.: engineering and health technologies, middle level managers and some 500 agricultural technicians on a yearly basis), while professors for basic education should complete shorter degrees than those traditionally offered by universities (Amaral and Magalhães 2007: 70-71). Thus, during this period, the Portuguese government driven by the World Bank's recommendations and wishing to enter into the EU, defined as priority the normalisation of the country's economy. In this process, polytechnic HE would perform a central role in the development of the national HE system. Thereby,

> "Access policies were combined with large investments in new buildings and equipment and an academic career progression more attractive (less demanding) than a university one to promote the development of the polytechnic sector. The regional character of the polytechnics was stressed by allowing the institutions to reserve a percentage of vacancies or students living in the region[68]" (Amaral and Magalhães 2005: 124).

[68] This is called *preferência regional* (regional preference) – Article 28º c (national competition regulation to access to polytechnic higher education) of the Decree-Law 296-A/98 of 25th September.

The 1980s and 1990s were in fact the "golden years" for this type of institution. Public polytechnics have concentrated their enrolments in Engineering, Management and Business Administration (within the area of Social Sciences), Education/Teacher Training, Health and Social Protection and Agriculture, which corresponded roughly to the recommendations of the World Bank (Amaral and Magalhães 2007: 70).

As the figures themselves show, the development of the polytechnic sector was impressive. "From 1983-84 to 2001-02, the share of enrolments changed from 76,2% in public universities [and] 12,6% in public polytechnics (…) to 43,6% [and] 27,9% (…) respectively" (Amaral and Magalhães 2005: 124). Nevertheless, more than thirty years after its creation, and despite this quantitative success the operationalisation of the binary system still remains a central political issue.

The first problem pointed out for this type of institutions lies in the lack of a clear definition of their mission. Despite all the good intentions behind it, since their creation, there was never a clear (legal) distinction between polytechnics and universities, as "the legislator did not have the courage to draw a clear distinction between polytechnics and universities" (Amaral and Magalhães 2005: 126). In addition to the lack of clear legislation, the majority of polytechnics, instead of developing a differentiation strategy, positioning themselves as the (only) provider of intermediate level human resources training, most polytechnics have chosen to reproduce the university model, with obvious drawbacks, particularly in terms of a perceived lower status when compared to universities (Amaral et al. 2002: 25). Additionally, the fact that the higher schools of education were in many cases the initial core of the new polytechnics created problems in defining the mission and the role of the new institutions (*ibidem*).

This resulted in pressures to change polytechnics' legislation (Magalhães and Amaral 2005). In this way, in 1977, Marçal Grilo (who served as Minister of Education in the XIII Constitutional Government, from 1995-1999) introduced an important amendment to the Education System Act (Law 46/86). Law 115/97 of 19th September demanded the same level of education for all teachers and allowed for polytechnics to confer the degree of *licenciado*, which was until then only conferred by universities (Magalhães 2004). This is usually pointed as the first sign of undesirable academic drift in the vocational subsystem, which despite the ambiguity of both subsystems could be noticed quite before (*ibid*). Magalhães (2004) argues that this ambiguity was also perceived in the research field, once polytechnics were not excluded from doing this type of activity. In 1978, Law 61/78 (of 28th July) conferred polytechnics the permission to develop some (applied) research. Indeed, polytechnics were expected to explore non-traditional areas in this field, such as applied research, areas of experimental technologies and education, and link these with regional and local needs (Magalhães 2004: 303-304). In turn, some universities, especially the more recent ones, have adopted

a closer orientation to the needs and requirements of the labour market. As such, polytechnic graduates will compete against universities' graduates in a labour market where, in principle, they are in a disadvantage position.

As consequence of the unfolding of this situation, built up on ambiguous policies, polytechnics' expectations and objectives have not been fully achieved. For example, with respect to the possibility of attracting a significant number of students, what happens is that despite the existence of distinct types of HEIs in Portugal, universities continue to offer a higher number of vacancies, and public universities still are the students' first choice. Therefore, there is a higher number of enrolments in this subsystem. Thus, as Almeida and Vieira (2012) conclude, "(…) within the public sector of higher education, consolidating the polytechnic subsystem took far longer than it did for the university subsystem" (2012: 138).

The access and attraction dynamics of both Portuguese subsystems were analysed by Amaral and Magalhães (2005) who refer that the cultural background of the family is related with the academic access of the different sectors of HE. In general, students from families with higher cultural capital enrol preferably in public universities, while students from families without such higher cultural capital, but who possess a significant economic capital, prefer private universities. Local polytechnics are then the *option* of students from families of lower cultural capital, where the economic factor has clearly more influence (Amaral and Magalhães 2005: 131). In fact, socio-economic conditions are increasingly more a determinant factor to access HE, as a great majority of students have to leave their homes and arrange rooms in the town where the HEI is located (Sousa and Fino 2007: 612).

A recent study from Almeida and Vieira (2012: 144-145) corroborates this situation. By crosscutting data about students' familiar background with their preferences in terms of types of HEI and programmes chosen, the researchers concluded that the most prestigious university degrees are still taken up by students from families of privileged socioeconomic status. This distinction is also perceived by students who see vocational education as less prestigious than university education, which explains why this subsystem has lower attraction capacity for students. Moreover, "the academic trajectory of polytechnic students tends to involve a lower performance level than university students. Such a profile allows us to grasp how economic factors – regional proximity and reduced expenses that such proximity may imply – as well as academic considerations – lower entrance grades, for instance – influence candidates to apply to polytechnics" (Almeida and Vieira (2012: 144-145).

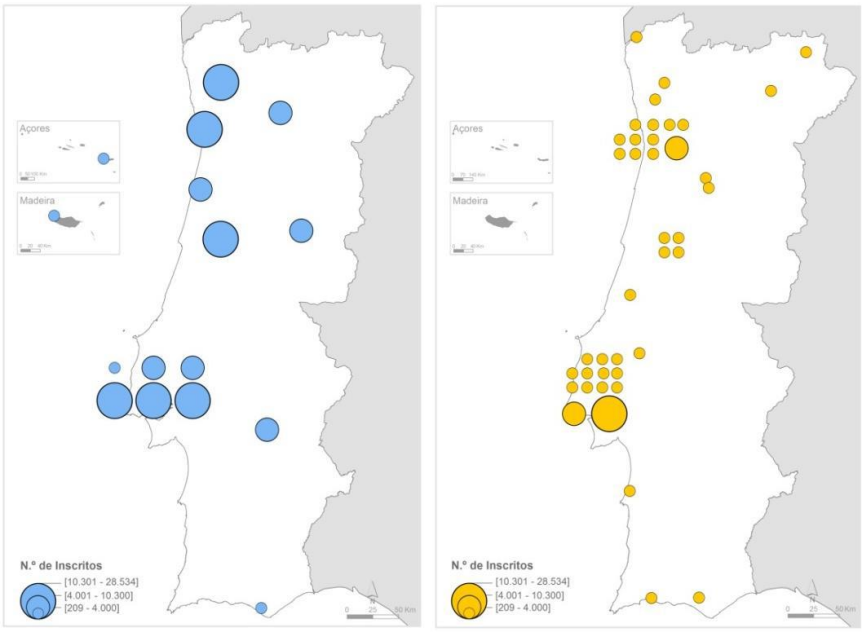
This situation should be understood bearing in mind the positional character of the different types of HE (Hirsh 1976 *in* Magalhães 2004: 306). In fact, "Diversification via the binary system is

tainted by a political suspicion: the elitism implicit within the university subsystem" (Amaral and Magalhães 2005: 126). University education is thus connected to an elitism character, strengthened by the type of students attending both sectors. This scenario probably explains why countries with a binary organisation of their HE systems, face some *instability* due to the academic drift of polytechnics in search of social standing vis-à-vis universities and due to professional drift of universities responding to societal pressures to become more 'relevant' and to respond to increasing demands for employability of their graduates (Amaral 2003a: 2). Portuguese universities also directed part of their curricula to the needs and demands of the labour market and included in their initial training postgraduate curricula more *room* for vocational components. As Santiago (2004) explains, the shift from Mode 1 to Mode 2 of knowledge production (Gibbons et al. 1997) can be observed in some areas of intervention of Portuguese universities. The experiences of collaboration and partnership that have been developed with the industrial and services sectors, as well as the transfer of knowledge and technology to the business environment, generated some effects that universities, at different paces and degrees, were using to make their curricula more vocational (Santiago 2004).

In sum, although this situation might change in the future, it is possible to say that polytechnics were, since their creation, and still are, in a disadvantageous position, especially in what concerns their capacity of attracting students and therefore in terms of social standing. Although lately due to the economic situation of the country and the problem of unemployment for undergraduate degree holders, polytechnics' degrees might be perceived as 'more employable'. However, they still lag behind universities in their capacity of attracting students. Students' preferences can be better pictured in the following map (figure 7).

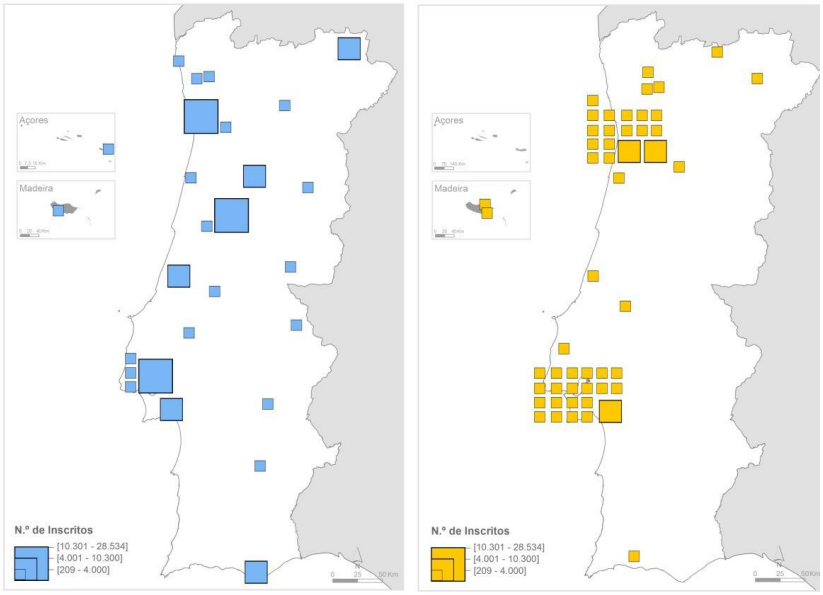
Figure 7 – Distribution of Portuguese students' preferences according to the type of subsystem

a) Public University **b) Private university**



c) Public Polytechnic

d) Private polytechnic



Source: GPEARI-MCTES (2011).

Looking back to 1977 and *assessing* the present moment, it is possible to say that there was some *evolution.* There was the transformation of two polytechnic institutes into universities (Ferreira et al.

2008: 194). There was also the inclusion of HE schools of teacher training into polytechnic institutes and, in some cases, into universities (*ibidem*). However, as referred by the authors, this integration was controversial, as it resulted in the provision of duplicate courses, both in polytechnic institutes and in universities. This happens because, in some cases, polytechnic institutions are steered like national institutions instead of regional institutions, whose main concern should be the establishment of a strict connection with regional development, and economic and social activities (*ibidem*: 200). In turn, this can be explained by the fact that access to HE is organised from a national perspective, rather than a regional one. Nevertheless, due to their regional character, polytechnics are closer to local and/or regional authorities and, during some time, instead of being elected, polytechnics' presidents were appointed by the government. Somehow, this made polytechnics more vulnerable to local politics, but simultaneously, the local political forces were able to take up some demands to the government (Amaral et al. 2002: 41). By other words, by being appointed by the government, polytechnics' presidents could raise attention to the region, to local problems and opportunities. The authors also refer that some local authorities aspire to see the polytechnic of their region being promoted into a university convinced that such a "transformation process" will get them more votes from the electorate as well as (or consequently) to attract more people and development to the region.

At this stage it is important to include a brief note concerning private HEIs in the country, so one can better understand the dynamics of Portuguese HE. Actually, the consolidation of the national HE system is not only the result of developments observed in the public HE sector. During the 1980s, the paradoxical situation between the access restrictions imposed by the *numeri clausi* and the investments in the non-university subsystem, resulting in a huge increase in the number of candidates to HE, created the perfect scenario for the emergence of private non-profit HEIs. Indeed, they "… absorbed the excess in demand that could not be met by public institutions" (Amaral and Magalhães 2008: 209). Private HEIs are mainly teaching schools and do not contribute substantially to research (Amaral and Magalhães 2005: 130), and as confirmed by the representative of private HEIs in 2012 in the interview for this dissertation.

During the mid 1990s, the increasing mismatch between demand and supply of HE forced many students to choose any available programme or institution, without paying attention to quality issues or future employment prospects. Especially in the years of severe economic stringency following the revolution, the government allowed the development of private HE network, "… without close scrutiny of the quality of what has being offered" (2008: 209). This situation, combined with changes in the democratisation of secondary education, as well as lower requirements for students graduating from secondary education and entering HE created an

enormous growth in the sector (Amaral and Teixeira 2000: 252), as can be seen in table 10. As aforementioned, in 1989 the Minister Roberto Carneiro induced artificially a very rapid growth in demand. Although the rationale behind his policies is not clear[69], the fact is that a large number of private HEIs emerged, and from 1994 until 1999 the number of vacancies offered by the private sector exceeded those offered in the public sector (Amaral and Magalhães 2005; GPEARI) (see table 10). Nevertheless, as the figures show, the increase in vacancies in the private sector does not correspond to a similar huge increase in the number of enrollments.

Table 10: Evolution of the number of access vacancies and new enrolments by type of HE subsystem

Type of subsystem		1995-96	1996-97	1997-98	1998-99	1999-00	2004-05	2007-08	2010-11
Public	**Vacancies**	34 306	36 873	40 704	43 293	46 243	47 138	49 584	54 284
	Enrolments *	47 450	51 734	56 187	55 232	59 074	63 365	84 279	102 895
Private	**Vacancies**	37 286	43 551	44 935	45 955	45 312	34 130	36 646	35 529
	Enrolments *	33 633	30 406	25 698	23 978	25 672	20 998	29 835	28 613

(* - Number of student enrolled in a HEI in the first year, for the first time).

Source: GPEARI-MCTES (2011).

According to the OECD (2006), from 1990 to 2000, enrolments in public polytechnics had increased 224.7% and 121.7% in the private sector. The development of the private HE sector in Portugal needs to be framed in the new political and social context of the system. It was mentioned already that changes in strategies of regulation and state control, contributed for the emergence of new (hybrid) governance modes. During the consolidation of the binary framework, as Santiago and Carvalho (2004) explain, a shift from a centralised system, based on state control over HEIs, to a less centralised one was initiated (2004: 431). Moreover, at a time of competition for economic relevance and for international visibility, it is no surprise the proliferation of private HEIs. Nevertheless, this uncontrolled growth of private institutions distorted the system in the opposite direction, as it evolved contrary to the aims of the geographical and supply diversification policies (Amaral and Teixeira 2000: 264). Instead of contributing to the geographical expansion and programmatic diversification of the national network of HEIs, private institutions were located in the most populated areas of the country and, although they invested in those study fields of higher

[69] Amaral et al. (2002: 34) explain that it is not clear whether the Minister Roberto Carneiro really believed in the benefits of private HE could bring to the country, or if his objective was just to save private HE from bankruptcy.

demand, these also correspond to those which need lower investment costs (e.g. economics, management, administration and law) (Amaral et al. 2002: 35). Thus, at a time when "… the rhetoric about the flexibility of the students' skills and profiles in the adaptation processes to the labour market became increasingly common in the discourses of social and academic actors" (Santiago and Carvalho 2004: 432), it is with no surprise that when the number of applicants started to decline, private institutions were the first to feel difficulties in attracting students. Not only were they considered low quality providers of HE, but they also charged higher tuition fees.

National exams in secondary schools with a minimum grade to access HE were introduced again in 1996, as an outcome of the government concerns with increasing and improving quality rather than (only) quantity. Immediately, private HEIs suffered a drastic decrease in the number of students enrolled. Such situation stems from two factors: the sustained increase of public institutions' vacancies and a significant decrease in the number of applicants to (private) HEIs, which, in turn is a consequence of demographic factors and the introduction of more demanding criteria to access the system (Amaral et al. 2002: 36).

With respect to the expansion and diversification of the public HE sector, it should be mentioned that these periods were not an outcome of the development of new programmes to meet the changing needs of the labour market, neither from the creation of sufficient technical programmes. In fact, the development of the system is more an outcome of institutions' strategic interests and to the development of new knowledge fields. In turn, the policies that favoured a generalised increase in HE participation rates resulted more from the huge increase in demand than from institutional or governmental decisions (Amaral et al. 2002: 35).

In view of such dynamics in the national system of HE, a question comes out: considering that the government (through the Minister of HE) had, until recently, a firm grip in both private and polytechnic subsystems, how was possible that a mismatch between the government objectives and the outcomes of the policies to achieve these objectives happened? The expansion and diversification of the HE system, as well as the increase of students number in relevant areas for the economy of the country were explicit objectives of government policies. Until the Law 62/2007 came into force, polytechnics were obliged to previously submit for approval all the proposals for creating, suspending and/or eliminating programmes. In turn, private HEIs needed to obtain government's permission before initiating a new programme and after that they had to ask for the official recognition of the courses and diplomas approved. Then, why this system, apparently failsafe did not work? Amaral et al. (2002: 39) refer that this situation must be analysed bearing in mind some peculiarities of the Portuguese society. This will also provide some explanation to understand both countries dynamics with respect to the process of policy design and implementation. We will

take the well-known 1991 Geert Hofstede model which explains how values in the workplace are influenced by culture based on 5 different dimensions[70]. According to the Hofstede model, Portugal is a collectivistic, feminist, long-term oriented, high uncertainty avoidance, and high power distance culture (Hofstede 2013). These characteristics, on one hand, imply an appetite for many regulatory and detailed laws, a tendency for searching consensus and for solving conflicts by compromise and negotiation, as well as a generally permissive attitude. In fact, according to Amaral et al. (2002: 29), the major issues of higher education (access, equality of opportunities, quality, autonomy, professional profiles of graduates, etc.) are assumed by the different parties of the National Assembly with a diffuse importance, in the form of generic political declarations. This is then reflected in the legal framework and originates to what the sociologist Boaventura Sousa Santos (1990; 1993) calls of "parallel state" to characterise the mismatch between the objectives and intentions of the laws and the social and political actors that they attempt to regulate. Indeed, the Portuguese society can be considered permissive and gentle. Conflicts rarely end up in violence, as demonstrated by the revolutionaries of 1974.

It is also true that there are many laws with a strong regulatory/statutory character but which are not always taken very seriously. Drastic measures are rarely taken to their logical conclusion and the public often creates feelings of sympathy for the weak (Amaral et al. 2002: 40). Due to all this, and quoting the authors, it is difficult for the state to use a credible *a posteriori* control system, preferring then, in general, to rely on *a priori* analysis of the proposals submitted for approval to the Ministry of Education. In practice, however, the great majority of private HEIs have a strong 'lobbying' power and many politicians have vested or hidden interests in private institutions. In addition, many of these institutions were able to obtain official recognition without a rigorous scrutiny of the legal requirements or the quality of education. Thus, the national practice of avoiding conflicts or drastic decisions often resulted in the delay of approving proposals. In this way, as the authors explain, it is not surprising that sometimes, the Ministry, instead of directly replying with a 'yes' or 'no' to the proposals of HEIs, prefers to ignore all the legal deadlines, not replying or assessing HEIs proposals. Consequently, many private HEIs started illegally programmes without the mandatory government approval but they did not suffer any sanction for their "misbehaviour".

[70] Hofstede's six dimensions of national cultures are: Power Distance; Uncertainty Avoidance; Individualism vs. Collectivism; Masculinity vs. Femininity; Long vs. Short Term Orientation, and Indulgence vs. Restraint. Hofstede stresses the idea that dimensions of cultures do not exist in a tangible sense: they are constructs.

4.6 Diversification of the System: creation and development of the vocational sector in Finland

By the early 1990s, Finland was one of the few countries in the EU with a uniform HE system, consisting of universities only.

There are several reasons explaining the establishment of the binary system in Finnish HE. Underlying all the possible explanations for this, one should bear in mind the *Finnish belief* in education as the ultimate and indisputable spearhead of national progress (Rinne 2004: 98). The investment in human capital provided the system with legitimacy and willingness to advance educational visions proposing new concepts of youth and higher vocational education and to expand higher and adult education (*ibid*: 98). Nevertheless, this national belief and willingness to enhance Finnish HE needs to be framed and understood amidst other factors contributing for the creation of the vocational subsystem of HE in Finland.

In the early 1990s the Finnish government aimed at transforming Finland into a knowledge society. In order for this to happen, it was necessary to raise the knowledge and skill levels of the population by doubling HE enrolments (OECD 2003a). This means that 60-65% of pupils of the same age in the early years of the 21st century were aimed at attending HE. As it was visible that universities could not expand their offers without endangering the quality of education and research, there was the need to find an attractive alternative at HE level. In this way, it was expected that universities provided education for ca. 20% of the 60-65% target for HE entrants, and polytechnics for the remainder (Eurydice 2000: 461).

In parallel, according to the 2000 Eurydice report and the 2002 Ministry of Education report on polytechnic education in Finland, there were some clearly dysfunctional elements in the vocational education and training system. For example, the former system of vocational education was considered too rigid and not transparent or easily comparable to other European systems. Indeed, the Finnish vocational education system was difficult to describe and there was little understanding of the role of postsecondary vocational education and its standing (OECD 2003a: 50). Furthermore, vocational education was divided into separate fields, each with its own schools and institutes, which were often very small and with little cooperation between fields of study (*ibid*). Additionally, the vocational education and training system was not attractive enough for those school-leavers who had taken the matriculation examination, and thus successfully completed general upper secondary school[71] (Eurydice 2000: 461).

[71] The purpose of the matriculation exam is to check the level of maturity and knowledge of students. When passing this exam, students are eligible to apply to a HEI.

In Finland, the number of young people going to the general upper secondary school is very high: nearly 60% of annual cohorts continue their studies in general upper secondary school after comprehensive school (Eurydice 2000: 461). Thus, as universities could enrol only one quarter of this number, there were many disappointed students with the required matriculation exam successfully completed, but who could not find a place in one of the 16 universities that existed in the country by that time. Therefore, it was important to improve students' chances of finding a HE study place.

It should be added that during the expansion period of the Finnish HE system, the provision of equal educational opportunities became one of the most important objectives pursued by governments. The founding of a university was not only seen as an important mark for the cultural and economic development of the given region, but it also had a symbolical value. Therefore, since the 1960s until the 1980s, all major provinces were allowed to establish a university of their own, which means that places which did not succeed in founding a university were very active in establishing polytechnics (Välimaa and Neuvonen-Rauhala 2008: 78). Thus, as it happened in Portugal, pressures emerging from an increasingly massified system allowed for the diversification of Finnish HE. Or, as the authors put it, the creation of a non-university sector in Finland was a logical expansion of the mass HE system. In this sense, the existence of a dual system would not only broaden the scope for individual student choice, but also to responded better to the needs of working life and society (Välimaa and Neuvonen-Rauhala 2008: 79). Simultaneously, the development of modern technology and its rapid introduction into Finnish working life demanded the need to have better qualified people in the labour market (Eurydice 2000: 461). Indeed, this also contributed for the emergence of pressures for status competition of HE degrees among professions and institutions as well as from labour market allocation and recruiting needs (Rinne 2004: 98).

Another important factor contributing for the establishment of Finnish polytechnics was the rapid phase of internationalisation since the latter half of the 1980s and 1990s. Especially after 1995, when Finland joined the EU, there were pressures from EU policies for the new role, status and functions of HE in society. Also the Bologna process and European integration policies accelerated the development of AMKs. Indeed, the Bologna process had a decisive role in the promotion of these HEIs, as analysed in chapter VI. Furthermore, as part of the Finnish internationalisation process, it is important to refer that in its 1981 review of Finnish education policy, the OECD had recommended that polytechnics should be established side-by-side with the existing universities. However, by that time, the government considered that the proposal was not practicable in terms

of the future development of the education system, as Finland had lunched a large-scale reform of vocational education that also included post-secondary education (Ministry of Education 2002: 45).

The establishment of the non-university sector was thus part of an extensive reform of post-secondary education, which consisted in merging around 215 existing technical and business colleges and other secondary level institutions to form 32 polytechnics (Hölttä 2000; Hölttä and Malkki 2000; Välimaa and Neuvonen-Rauhala 2008). It was initially created as an experimental basis (a typical Finnish reform strategy, Välimaa 2005) and through several stages.

In 1990, after careful analysis of the changes outside the educational system, the Ministry of Education appointed a steering group and a monitoring group for the reform of post-compulsory education. For each experimental institution, steering groups were composed of rectors, teachers, other staff and students of the participating institutions as well as representatives of the polytechnic owners. The groups submitted a memorandum on the development needs and principles of post-compulsory education (Hölttä 2000: 470). Then, the government passed legislation on experimental polytechnic institutions in 1991. No political party opposed the reform, even though decision-makers felt quite unprepared for such a grand move as the establishment process of polytechnics was felt to be too rapid (Välimaa and Neuvonen-Rauhala 2008). In fact, according to the 2002 Ministry's report, the proposal for the reform came as a surprise to politicians, the press, the universities and the vocational institutions themselves, considering that up to that point, HE was understood solely in terms of university studies, and there were doubts about the country's potential for creating professionally oriented HEIs. This also explains why the reform should begin with an experimental phase (Ministry of Education 2002: 46).

In addition to the Ministry, the main supporters of the foundation of AMKs were the representatives of provinces and provincial institutions who saw the status of their upper secondary education institutions upgraded. On the side of universities, there were some mixed feelings about the new sector of HE (Välimaa and Neuvonen-Rauhala 2008: 80). As the authors explain, universities were initially critical of the founding of a dual system, fearing that it would shrink the HE budget. However, academics were also conscious of the advantages that the expansion of the system would bring in terms of higher qualification requirements that would be set for teachers in vocational HE. In this sense, academic drift was one of the driving forces behind the reform (*ibidem*: 80).

The experimental institutions were based in all parts of the country and included practically every type of study field (Välimaa and Neuvonen-Rauhala 2008). From this moment (1991) until 1995, there was a piloting phase to give to 22 temporary polytechnics time to develop their operations. Then, on the basis of the positive results obtained, the AMK system was made

permanent in the autumn of 1996 (*ibidem*: 79), when Parliament passed the Polytechnics Act 255/1995, under which the Government grants permanent licenses to polytechnics (Hölttä and Malkki 2000). For an experimental institution to qualify for a license, it must have successfully undergone the evaluation by the Council for HE Evaluation, which means to meet educational needs and quality criteria and other requirements, which allow to provide HE (Hölttä 2000: 470). As the author explains, these criteria are mainly related to labour market needs and the quality standards of the programmes and resources. Throughout the second half of the 1990s the Government continued to grant new polytechnics operating licences every year. By August 2000 most of these institutions had developed into polytechnics operating on a permanent basis (Välimaa and Neuvonen-Rauhala 2008: 79). The establishment of vocational HEIs was thus considered successful. Because post-secondary vocational education had been systematically developed in every field during the 1970s and 1980s, the reform process did not start from scratch: it had strong qualitative and quantitative foundations that led to solid developments of the overall system of HE (Finnish Ministry of Education 2002: 46). At the turning of the new millennium, there were 29 polytechnics in Finland. About 80% of the volume of education provided by the old post-secondary vocational schools was qualified for admission into the polytechnic system. The remaining 20% continued to function in initial vocational educational institutions (Finnish Ministry of Education 2002: 47).

At the present, most polytechnics are regional multidisciplinary institutions and students are encouraged to make use of this multidisciplinarity, namely by establishing their own business and combining enterprise education in many forms (Eurydice 2000: 466; Hölttä and Malkki 2000: 234; Ministry of Education 2002). Student selection in polytechnics is mostly based on secondary school achievement, work experience and in many cases, entrance examinations. Although the majority of students admitted to polytechnics have passed the matriculation exam, the Ministry of Education encourages "transit possibilities" for those with upper secondary vocational qualifications (Eurydice 2000: 465). "The key reform for polytechnics is that the regulation of study places for young people and adults will be abandoned. This provides polytechnics with more flexible opportunities to organise their operations" (Ministry of Education 2009: 10).

The number of study fields offered by a polytechnic depends mainly on its traditions and region without any connection with its size. The smallest polytechnics may have three to seven study fields, while medium-sized and big polytechnics may have four to eight study fields (Välimaa and Neuvonen-Rauhala 2008: 81). The largest fields of study are technology and transport; administration and commerce; social services and health care. These fields enrol together about 80% of the AMK students (Hölttä and Malkki 2000: 234). According to the FME website, in 2012, the

total number of young and mature polytechnic students is 130,000 and these institutions award over 20,000 polytechnic degrees and 200 master's degrees annually.

Similarly to the Portuguese reality, the polytechnics applicants' educational background and socio-economic status also help to explain the differences in their orientations. Students with a higher-status familiar background who have received academic education normally apply to universities, whereas applicants of working-class families tend to enter polytechnics (Välimaa and Neuvonen-Rauhala 2008: 87).

As can be seen in table 8, and at least until 2008 there was a moderate increase of polytechnic students, but this increase is substantially more expressive in the number of Masters degrees' applicants.

Table 8 - Finnish polytechnic applicants, entrants and students 1998-2008.

	Applicants (primary)				Entrants				Students			
	Youth education*	Adult education*	Polytechnic master's degree	**Total**	Youth education	Adult education	Polytechnic master's degree	**Total**	Youth education	Adult education	Polytechnic master's degree	**Total**
1998	90 098	13 465		**103 563**	26 077	6 646		**32 723**	65 065	13 022		**78 087**
1999	92 332	13 605		**105 937**	25 773	7 314		**33 087**	79 278	17 230		**96 508**
2000	89 698	14 520		**104 218**	25 772	7 256		**33 028**	93 617	20 530		**114 147**
2001	86 680	15 465		**102 145**	25 662	6 175		**31 837**	100 362	21 099		**121 461**
2002	86 659	14 368	419	**101 446**	25 938	5 479	158	**31 575**	105 556	20 801	158	**126 515**
2003	92 504	16 831	353	**109 688**	25 806	7 036	309	**33 151**	107 603	21 615	448	**129 666**
2004	93 898	16 203	302	**110 403**	26 411	6 281	236	**32 928**	109 489	21 420	612	**131 521**
2005	95 883	16 886	1 634	**114 403**	26 316	6 943	629	**33 888**	109 858	21 387	1 053	**132 298**
2006	99 747	14 857	2 477	**117 081**	26 166	6 204	1 375	**33 745**	109 362	20 564	2 137	**132 063**
2007	82 923	14 394	1 888	**99 205**	25 910	6 214	1 767	**33 891**	109 206	20 158	3 431	**132 795**
2008	**94 043**	**14 835**	**3 122**	**112 001**	**26 339**	**6 251**	**1 993**	**34 583**	**107 857**	**19 622**	**4 536**	**132 015**

Source: Finnish Ministry of Education (2009: 67).

At the first sight, immediately comes up the discrepancy between the number of students who apply for a polytechnic master degree and the number of applicants who effectively make it to the system. Again, national historic and cultural specificities explain this mismatch. For those who do not enter at the first attempt is not a "big" problem. Some end up going to Sweden or Estonia to continue their studies, others find part-time jobs to gain work experience and money, while continuing to study for the following year round of applications and others chose other programme/HEI, etc.

According to Hölttä and Malkki (2000: 234), the field of engineering is represented in most polytechnics, and the subfield related to information technology and telecommunications has been characteristic for the expansion process within the AMK sector, as can be seen in the following picture. In this way, the development of Finnish AMKs has thus been compatible with the government goals related to the information society programme (*ibidem*), namely the increase of students in the study field of Technology, Communication and Transport.

Figure 9 - Polytechnic students by field of study 2008

	Youth Education	Adult Education	Polytechnic Master's Degree	Total
Total	107 857	19 622	4536	132 015
Humanities and Education	1198	167	40	1405
Culture	10 456	1301	102	11 859
Social Sciences, Business and Administration	21 333	4559	1196	27 088
Natural Sciences	5264	996	156	6416
Technology, Communication and Transport	32 984	4745	1131	38 860
Natural Resources and the Environment	3493	687	151	4331
Social Services, Health and Sports	26 183	5584	1472	33 239
Tourism, Catering and Domestic Services	6946	1583	288	8817

Source: Adapted from Finnish Ministry of Education (2009: 68).

An important characteristic of Finnish AMKs is their emphasis on establishing links with the working life and international connections. The interviews carried out in Finland to actors of this subsystem corroborated the literature review on the topic, which highlights the importance of these vocational institutions to educate students in response to the needs of rapidly changing (national and international) labour markets. Therefore, AMKs are expected to build networks which facilitate the planning of studies and that will meet the requirements of various employers (Hölttä and Malkki 2000: 234). Furthermore, a distinctive feature of AMK's degree programmes (whose minimum duration of studies is 3 years – 120 credits – and the maximum duration is 4 years) is the compulsory on-the-job-training period, i.e. a practical training (Polytechnics Act 351/2003).

4.7 Institutional Governance, Management, Ownership and Decision-Making of Finnish Polytechnics

The administration and finance of polytechnics is regulated by the Polytechnics Act (*Ammattikorkeakoululaki*) 351/2003 and the Decree 352/2003. The Polytechnics Act determines the educational mission, the disciplines, the intakes, the language of instruction and the location of each polytechnic. Polytechnics' management is based on the overall policy objectives laid down in the Government's Development Plan for Education and University Research and yearly consultation on performance and objectives between the Ministry of Education and the institutions themselves (Eurydice 2000: 462). Polytechnics have then autonomy in their internal affairs (Ministry of Education 2001; 2012). Within their internal autonomy, they are responsible for the degree programmes and syllabi, although the Ministry of Education makes decisions concerning degree programmes based on proposals submitted by the polytechnics in accordance with further provisions issued by Government Decree (Polytechnics Act 351/2003, §5º). They also have

autonomy to decide on educational arrangements, degree regulations, student selection, study administration, students' legal protection, the appointment of teachers, budgetary responsibility, operational strategies (internationalisation, contacts with working life, etc.), certification, evaluation and participation in the negotiations on objectives and results with the Ministry of Education (Ministry of Education 2004: 17). In terms of internal autonomy, Finnish polytechnics do not differ much from universities, however, they are expected to be more regional in orientation and have more direct relations with local business and industry than the universities (Eurydice 2000: 462).

With respect to polytechnics' administration and its governing bodies, the Polytechnics Act refers that polytechnics should be managed by a board and a rector[72], and, if necessary, an advisory committee. One or more vice-rectors can also be appointed. The law allows for external stakeholders ("representatives of business and industry and other sectors of the labour market") to participate in institutional governance (Polytechnics Act 351/2003, §4º). This is a big difference from Portuguese polytechnics. Already in the 1990s, the Polytechnics' Autonomy Law (Law 54/90) demanded 20% of external stakeholders in polytechnics' governance. In this type of institutions, external members even participated in the election of the president.

The governing board consists of representatives of polytechnic directors, full-time teachers, other full-time staff and full-time degree students of the polytechnic and representatives of working life, i.e. external personalities. The total number of board members is decided by the maintaining organisation (Polytechnics Act 351/2003, §4º). External members, who should constitute no more than one third of the total number of board members, are also part of advisory boards. Advisory boards, in addition to their advisory tasks, also participate in the development of programmes and curriculum (Hölltä 2000: 470). By 2000, all these governance structures had been institutionalised (*ibid*).

Välimaa and Neuvonen-Rauhala (2008: 87) explain that an important concept in the governance and management of Finnish polytechnics is that of *ylläpitäjä*, which can be translated as the "maintainer"[73], the maintaining body of a polytechnic. As it is perceived by the law, it refers to an organisation responsible for the administration, management and functioning of a polytechnic. When deciding on the polytechnics' administration bodies, the aspects taken into account are practical considerations related with the organisation and combination of different types of traditional vocational institutions (*ibidem*).

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[72] Differently from Portuguese polytechnics, where the head of the polytechnic is called "President" (also with the purpose to distinguish polytechnics and universities titles), both universities and polytechnics' heads are called Rectors.

[73] MOT dictionary suggests "administrator" as the translation for *ylläpitäjä,* which might be more suitable and/or easier to understand the purpose of this governance body.

The *ylläpitäjä* is responsible for appointing the polytechnics' board, to recruit the rector and other staff, for example, the vice-rector(s); for allocating resources and deciding on the budget for the polytechnic, as well as for the polytechnic's strategic planning (Polytechnics Act 351/2003, §4º; Välimaa and Neuvonen-Rauhala 2008: 87). This maintaining body is also the polytechnic's owner: as such the nature of this ownership varies because of the different maintaining organisations (Välimaa and Neuvonen-Rauhala 2008: 87). The authors explain that this variety in ownership means, in principle, that polytechnics are private institutions considering that they are maintained by foundations, limited companies, municipalities or federations of municipalities (2008: 81). In fact, the Government grants an operating license (an authorisation) for a polytechnic to a local authority or a municipal consortium or to a registered Finnish association or foundation[74] (Polytechnics Act 351/2003, §6º). However, in practice, Finnish polytechnics are public institutions which provide their students with public goods free of charge and which are funded from public sources, mainly by the Ministry of Education. The different forms of ownership affect mainly their decision-making structures and practices.

In their study of the non-university sector in Finland, Välimaa and Neuvonen-Rauhala (2008) conclude that even when polytechnics state their objectives different from their counterparts, all polytechnics operate on a national, a regional and a local level irrespectively of their maintaining organisation. Naturally, polytechnics that are owned by single municipalities have a stronger local focus than other types of polytechnics, although no big differences can be seen among the institutions (2008: 89). At the present there are 25 polytechnics of which 4 are municipal and 21 are private (limited companies or foundations) (BFUG Finland 2009-2012).

Every four years, the government adopts a Development Plan for Education and Research for a specific period of time, outlining general development targets for polytechnics as well as education and research policies (Polytechnics Act 351/2003, §3º). The Finnish Ministry of Education and Culture (OKM), the polytechnics and their maintaining organisations conclude three-year performance agreements in which they agree on target results and their monitoring and on major national development projects (Ministry of Education website 2012). The performance agreements between the Ministry of Education and the individual polytechnics have the same structure of

[74] "The legal status of a limited company is regulated in the Finnish Companies Act (*Osakeyhtiölaki* 29.9.1978/734), whereas the legal rights of foundations are laid down in a different act (*Säätiölaki*, Foundations Act, 5.4.1930/109), and the rights and duties of municipalities in yet a third act (*Kuntalaki*, Local Government Act)" (Välimaa and Neuvonen-Rauhala 2008: 88). Combining the different Act principles might seem quite complex but, as the authors explain, a foundation or a limited company have been considered good solutions when polytechnics were established on the basis of traditional private institutions with considerable assets.

management by results as applied for universities (Välimaa and Neuvonen-Rauhala 2008: 84). Since 1994, on the basis of performance agreements, the Ministry of Education and the polytechnics agreed on objectives and results. In this way, the Development Plans together with the performance agreements and management by results constitute the most important tools of the Ministry of Education for steering the activities of polytechnics (Ministry of Education 2012).

As local and regional establishments, the ownership of polytechnics is divided between the government and local authorities, which also share their costs. In this sense, the government allocates resources in the form of core funding, which is based on unit costs per student, project funding and performance-based funding. They also have external sources of funding (OKM website 2012). Core funding is attributed on the basis of the number of students and a unit cost determined per student, as provided in the Act on the Financing of Education and Culture 635/1998 (Polytechnics Act 351/ 2003 §8º, section 32). Nevertheless, as Välimaa and Neuvonen-Rauhala (2008: 90) point out, the funding system of the polytechnics is criticised for working in a complex way, which is difficult to explain and not comparable with the funding system of universities. In addition, the authors refer that the polytechnics funding system lacks transparency due to the fact that even the funding that polytechnics get from local authorities has been provided from the government to local authorities. In turn, the government's subsidy that local authorities receive is based on the number of residents in the municipality rather than on the number of residents attending HE in a polytechnic institution (Välimaa and Neuvonen-Rauhala 2008: 90). Thus, different from universities, polytechnics are not entirely financed by the state, once funding comes from state budget funds and contributions by the students' home municipalities (Eurydice 2000: 463).

The development of the binary system in Finland is (still) one of they key issues in Finnish education policy. As Välimaa and Neuvonen-Rauhala (2008) put it "(…) the relationship between polytechnics and universities will become one of the major political issues in Finnish higher education policy-making" (2008: 95). Similarly to Portugal, and to every higher education system constituted by universities and polytechnics, both at the national and institutional levels, there are concerns and doubts on how to maintain both subsystems working differently while simultaneously strengthening their specific mission and profiles, without overlapping their programmatic offer. Or, by other words, a constant and actual concern is "how to create a high-quality, effective and cost-effective higher education network that can accommodate the needs of the increasingly heterogeneous student population and the needs of the rapidly changing world of work" (Eurydice 2000: 470). In the case of Finland, there are some specific challenges when analysing the development of the polytechnic network. As pointed out by the OECD (2005), there is the need to

achieve a balanced provision of education to meet the regional working life needs of Finland's two official linguistic groups: Finnish and Swedish (2005: 10). In order to accomplish this, the report states that it is necessary "(…) to establish a network in which each degree-teaching unit is large enough to be able to provide education of a sufficiently high standard and to conduct R&D which serves the region" OECD 2005: 10). Additionally, and probably more complex than this, seems to be the question of ownership. There has been recently a decline in the number of new entrants to higher education accompanied by an increase in vacancies. As Välimaa and Neuvonen-Rauhala (2008: 95) refer, there is an overcapacity in the Finnish system of higher education. In such scenario, an increase of institutional competition for students is naturally expectable. The race will probably evidence those institutions most capable of changing their strategies to adapt to new situations. Furthermore, as explained by Välimaa and Neuvonen-Rauhala (2008: 95), the challenge of overcapacity is also related to the Bologna process, once the new two-tier degrees' structure changes the relationship between polytechnics and universities. This is so because, although the Bologna process provides universities' and polytechnics' bachelors with the same legal value, they are (as it is supposed to be), "equal but different" degrees. By other words, when polytechnics' students finish their bachelors and they wish to advance their studies in a university, e.g., to do a master, they should first upgrade their studies to pursue a full-time degree in the university. By other words, due to the difference of training and education provided in both types of subsystems, it is considered a normal procedure that AMKs' students do some *bridge studies* to continue their studies in universities. Although it seems a normal path, the fact is that these *bridge studies* are usually in fields as business studies, social work and IT, where there are overlapping professional qualifications (Välimaa and Neuvonen-Rauhala 2008: 95). This, as the authors explain, could mean that in the future polytechnics will develop, in some disciplines, into "stepping-stones" to universities and/or overlapping disciplines.

4.8 NPM in the Portuguese HE

Since its developments after the 1974 Revolution, especially since the Education System Law of 1986, Portuguese higher education has been characterised by wide institutional autonomy, which impacted on the choices and changes in HEIs governance and management models. Until quite recently, Portuguese HEIs have been governed on the principle of collegiality. The composition of their governance and management bodies was then based on the principle of institutional members' representation: faculty (academics), students and staff. Following the Humboldtian tradition, the framework that served as main reference to HEIs was still related with the construction and transmission of knowledge and with the faculty's academic freedom (Santiago 2004). It was only in

the late 1990s, early 2000s that the traditional collegial forms of academic management have come under more visible public attack (Amaral, Magalhães and Santiago 2003: 137).

Although at a different pace, the national higher education system has also followed the general trend of many continental European nations of moving from a model of state-control and "legal homogeneity" to a state supervision model with increased institutional autonomy (Amaral, Jones and Karseth 2002: 281). The Autonomy Laws for universities and polytechnics reinforced this supervision model by institutionalising HEIs' autonomy and their collegial decision-making process (Carvalho and Santiago 2004), while the state still assumes the role/position of the system's main regulatory actor. Simultaneously, the state introduces regulatory mechanisms similar to market ones (although not always consciously and/or clearly sure to be heading in that direction), which are used as public policy instruments (Amaral et al. 2002: 55).

As in other countries, this supervisory model – also called *remote steering* and/or *steering from a distance* model (Neave and Van Vught 1991; Amaral, Magalhães and Santiago 2003; Santiago 2004) is justified by the perception that it is impossible for the state to efficiently regulate the processes at system and institutional levels within a 'centralised control' logic (Amaral, Magalhães and Santiago 2003: 137). Thus, through this, the state not only aims at creating inter institutional competitiveness mechanisms that increase institutional efficiency, but also mechanisms that make institutions more responsive to external calls, namely when these are bonded to the economy needs (Amaral et al. 2002: 55). In fact, and as Portugal exemplifies, the welfare dismantling is quite often connected to periods of financial stringency and/or crisis.

Since then, it can be said that the relationship between the state and HEIs has been a hybrid one. The state assumed a *mixed* role, an ambiguous position between (state) regulation and control and the use of market instruments. In fact, with respect to this ambiguity and *political hybridism*, Neave (1998) refers that the use of direct control mechanisms is a way to legitimise the supervision model. In the words of Maassen (2008):

> "Portugal is a country somewhere 'in the middle' when it comes to university governance, given its hybrid situation with respect to state steering with the state moving from an overstaffed and bureaucratic system towards a model of 'state interference', amongst other things, via the use of market-based instruments" (2008: 101).

In fact, this *hybrid* position (i.e. 'in the middle'; neither fish nor meat) is one of the most emblematic Portuguese characteristics which impacts on political design and implementation in every sectors of society. With respect to higher education, and as Lima (2012) recently wrote, "(…) legislative measures aimed at introducing an educational market have yet to be taken, which in itself is another of the specificities in the Portuguese case. This, however, may be explained by the fact that both the market and civil society have historically been weak" (2012: 297-298). A fact that had been stated in

the study of Amaral et al. (2002) who, among other things, concluded that employers' organisations are the most absent stakeholders in the national higher education system. Portuguese employers and their organisations do not have an effective political role in the definition of higher education policies. This is a curious, or a paradoxical fact at a time (2002: 56) when the states uses a discourse giving an increasing importance to the idea of the market as a regulatory element and it assumes a concern in articulating higher education with the economic activity (*ibidem*)[75]. As the authors explain, it is due to the "parallel state" and to the Portuguese "heterogeneity" already explained here, that one can understand the rhetoric character in higher education because those characteristics produce to a weak central level regulation (Amaral et al. 2002: 56). Moreover, as the authors explained in another study (Amaral, Magalhães and Santiago 2003: 137), the new Constitution approved in 1996 had a very strong left-wing influence and had a detailed programme for building a socialist country. However, none of the governments elected after the Constitution was approved could be considered extreme-leftist and therefore this resulted in a gap between the objectives and intentions of legislation and the social and political issue that they intend to regulate. Over the years, many laws have fallen into oblivion without producing effects while the Constitution was progressively amended into a less socialist ideology (Amaral, Magalhães and Santiago 2003: 137).

With respect to the Portuguese case, organisational efficiency, as it is understood in the market logic, was not the main criteria for diversifying the system (Amaral, Magalhães and Santiago 2003). Mainly due to the delay the country experienced during the dictatorship of Salazar, Portuguese HEIs were *protected* from some more fundamentalist market demands. As such, and because of that, institutions assumed the expansion and diversification of the system more in the context of the "knowledge model" (Scott 1995), rather than in the logic of adapting the training provided to the pressures of the economy and/or the labour market (Santiago 2004: 46). Moreover, the presence of external stakeholders in universities governance bodies was, until recently, minimal.

According to Amaral, Magalhães and Santiago (2003), the managerial rhetoric has emerged in the national higher education context both at the system and institutional levels. At the system level is possible to evidence (some impact of) managerialist narratives in the political discourses about

[75] This mismatch between the political discourse and the social and political fabric, which is only filled up by rhetoric, should be understood bearing in mind the heterogeneity of the Portuguese society and the Portuguese state. As already mentioned, Boaventura Sousa Santos (1993) summarises this peculiar heterogeneity in the following way: "The Portuguese corporative state suffered a transition to socialism, a Fordist regulation and a Welfare State regulation, and even a neoliberal regulation. In each moment, the structure of the state presents a geological composition with several layers, sedimented in a different ways, some old, some recent, each one with its own internal logic and its own strategic direction. This is the meaning of the heterogeneous state" (1993: 41).

the purposes and means on how to organise education. In the late 1980s, Roberto Carneiro tried to popularise the idea that there was the need to make companies more similar to schools and the schools more similar to companies (Santiago 2004: 47). In Portugal, as the authors explain, and as mentioned above, this assimilation of 'firms to schools and schools to firms' is contemporary to the rise of the supervisory mode. However, as Amaral and Magalhães (2007: 68-69) remembered, throughout the system's expansion period, there was no competition among institutions. As demand for higher education exceeded the supply, creating thus the perfect environment for the development of private higher education, market mechanisms could not play an effective regulation role. In turn, as the government was so concerned to increase student participation, it did not even bother when the private sector increased its vacancies in areas that did not correspond to the stated political public priorities, and did not exercise any credible control over the quality of education provision. Furthermore, resources were not scarce considering that demand largely exceeded the available supply (*ibidem* 2007: 71). Additionally, private HEIs' main objective was the maximisation of short-term profit rather than increasing their quality, a fact that, as referred by the authors, would offer them better prospects of survival. However, since the mid-1990s, "(…) the accumulated effects of years of lower birth rates and the government's decision to pay more attention to quality, namely by reintroducing minimum grades in the access to higher education – has progressively decreased the number of candidates for higher education" (Amaral and Magalhães 2007: 69). Such situation led to a strong competition for students. Initially, only in the private sector was this competition felt, but more recently it is also visible in the public sector, with public universities being students' first choice.

Santiago and Carvalho (2004: 432) also refer that the opening of the system to the private sector coincided with the emergence of the managerialist rhetoric in political discourses about education. Topics about quality and efficiency became central issues in political and institutional discourses, both with respect to the organisation of the system and to HEIs governance and management. Also other themes related to the relationship between science and technology and firms/enterprises and human resources improvement became more important (Santiago and Carvalho 2004: 432): "The rhetoric about the flexibility of the students' skills and profiles in the adaptation processes to the labour market became increasingly common in the discourses of social and academic actors" (*ibidem*).

The emergence of the managerial discourse in Portugal is thus connected to the approval and implementation of the 1988 University Autonomy Act (Amaral, Magalhães and Santiago 2003: 137). The authors refer that during the 1990s managerialism became more visible as a conception of institutional governance and linked to a new political discourse that associated the new institutional

autonomy with the need to demonstrate that HEIs were well run (*ibidem*) and a conception of participation as a management technique (Lima 2012).

It was in this context that throughout the 1990s and 2000s, Portugal would embrace NPM ideology and practice. There are several key factors that explain managerialist trends in the country – the general context is similar to European trends. By questioning the efficiency of traditional public services, managerialism also questioned the established role of HEIs, namely their governance and management procedures and more specifically, their collegial model of decision-making (Amaral, Magalhães and Santiago 2003; Santiago and Carvalho 2004). In Portugal, until the late 1990s the governance structures resulting from the Autonomy Act were in an experimental phase, as the dictatorship had forged an autocratic system of governance for HEIs, based on a centralised and *tightly coupled* administration (Lima 2012: 289). Additionally, another reason that threatened the traditional collegial governance forms relates to the recent economic difficulties that have put in jeopardy the funding formula and have obliged HEIs to look for alternative funds (Amaral, Magalhães and Santiago 2003: 137).

It is also important to remember that NPM, in all its forms, opposes to collegial governance modes (Magalhães and Santiago 2011: 8). This is so because collegial governance and professional power are considered inadequate to the needs of competition induced by economic globalisation and by the knowledge society. But other factors explain why managerialism found fertile soil in Portugal. As aforementioned, these relate to:

i) a decrease in demographic rates which, combined with a decrease in the number of higher education applicants, created an increasing rhetoric of interinstitutional competition, as well as competition for students;

ii) pressures to change the way in which knowledge, training and education are provided, which emerged mainly due to the popularity of the "knowledge society/economy" expression in the discourses about the purposes of higher education. The 'knowledge economy' rhetoric found a favourable context for its dissemination through the Law 38/94 (of 21st November), "(…) which emphasises criteria related to the economy, students' employability and the presence of external stakeholders in the evaluation teams (Santiago and Carvalho 2004: 433), and Law 91/88 which attributes significant importance to the link between research and the economy, as well as knowledge and technology transfer to the industrial sector (*ibidem*). However, it is important to refer that the importance of CRUP and CCISP in the design and implementation of higher education policies in the country, illustrates the strong power professionals have in the organisation and regulation of the system, contrary to what the managerialist ideology suggests (Santiago 2004: 45). For example, the implementation of the quality assessment system of public and private HEIs (Law 38/94) was a

process that has always been more *academic driven* than imposed by the government (Amaral et al. 2002).

iii) the difficulty for the bureaucratic-professional/collegial model to manage a mass higher education system;

iv) pressures resulting from financial and economic stringencies and budgetary control;

v) changes in regulation strategies and state control, namely a shift from a weak state regulation and the absence of market competition to a state supervision model, characterised by the establishment of financial and quality agreements between the state and HEIs (Santiago and Carvalho 2004). These agreements, refer the authors, are then based on the accountability principle. And finally,

vi) neoliberal policies initiated by the socialist governments in the mid-1990s, reinforced by the conservatives since 2002, developed by the 2004 socialist government (Amaral, Magalhães and Santiago 2003; Santiago and Carvalho 2004; Santiago, Carvalho, Amaral and Meek 2006), and which continue until the present with a coalition government between two right-wing parties (the Social Democratic Party and the Conservative Party). Indeed, as Lima (2012) refers, it is impossible to ignore the increasing influence of neoliberalism over the past decade.

vii) the influence of international organisations. Additionally, one should not forget that throughout the country's Europeanisation journey, strongly based on the orientation of international organisations, the launching of a single European currency (the euro) gave Portugal a new philosophy, strengthening a neo-liberal economic trend (Sousa e Fino 2007: 608).

In addition, and in face of a "parallel state", Lima (2012) identified the following managerialist dimensions in Portuguese higher education:

> "(…) the modernisation of the higher education system in order to adapt to the imperatives of economic competitiveness; rationalization measures with the purpose of obtaining internal efficiency gains; pressure to increase productivity; added importance of the institutions' private budgets and fund-raising activities; (…) employment of business management methods; advocacy of total quality management and the transferral of management control from academics to new purpose-built technostructures" (2012: 298).

It is in this context, more rhetorical than practical, that helps us to understand the latest reforms in the Portuguese higher education system. Following this new *managerialist rhetorical layer* in the Portuguese higher education environment, the end of the traditional collegial times started to be prepared in 2005, when a new (socialist) government came into power with parliamentary majority and commissioned the OECD and ENQA an extensive review of the national higher education system. The government's objective was to propose reforms and adopt the European guidelines approved in the context of the Bologna process.

By this time, several problems could be identified in the national higher education system: a lack of clarity of the binary system, a network of HEIs and programmes without coherence, a high

number of programmes with little or no demand at all, several HEIs in deep financial crisis, low equity in accessing the system, an ineffective quality assessment framework, a funding formula which did not relate/connect to efficiency, low levels of internationalisation as well as low international competitiveness, the absence of effective state regulation, a mismatch between supply and demand and between demand and the labour market needs (Amaral 2007: 17).

As outcomes of these international assessments a series of legislative reforms emerged in 2007, namely the new legal framework for HEIs – the RJIES (Law 62/2007 of 10thSeptember), the new legal framework for the evaluation of higher education, the RJAES (Law 38/2007 of 16th August), the establishment of the Higher Education Accreditation Agency (A3ES), the new academic staff career, both for universities and polytechnics, among others. From these, the new legal framework for HEIs, the RJIES (chapter VI) is the research object of this study. Law 62/2007 represents a new archetype in Portuguese HEIs, mirroring NPM ideology, as well as OECD recommendations (Bruckmann and Carvalho 2014).

4.9 NPM in the Finnish HE landscape

Such as it has happened in Portugal and in other OECD countries, the common/main rationale that led Finland to institutionalise NPM was the need to find alternative ways to the traditional Weberian heavy bureaucratic model, so that public services could be provided in a more efficient and flexible way (Temmes 1998). Nevertheless, according to Pollitt (2003: 37), Finland launched public management reforms "(…) cautiously and selectively, taking the bits they find useful, but not buying the whole NPM package" (Pollitt 2003: 37).

It is important to remember that the Finnish welfare state (the so-called Nordic or social democratic model in Esping-Andersen's classification), started to be built in the 1950s and continued until the beginning of the 1990s. Gradually, the construction of this welfare state has incorporated such aspects as social security, health care and education, significant income transfers – services that are highly taxed. But (and as also happened in other nations that established welfare states), in the later part of this period, the welfare model faced many financial problems: "the massive build-up of the welfare state from the 1960s to the end of the 1980s resulted in the growth of bureaucratic features in Finnish administration and management" (Salminen 2003: 57). Furthermore, as Markku Temmes (1998: 447-448) referred (and as pointed out by some interviewees), the Finnish public sector was criticised for its old-fashioned and bureaucratic structures and administrative culture already in the 1980s, when some reforms were initiated. When summing up what led to the end of the *first* Finnish welfare state, Rinne (2004: 94) points the

downswing of the 1990s, the rapid increase in unemployment, joining the EU and the increasingly right-wing bias of government policy.

These bureaucratic developments ended up to be reflected in the governance and management of Finnish higher education, featuring the 1980s as the administrative steering period due to its norms and strict budget regulations (Hölttä and Rekilä 2003). The authors explain that the idea in administrative steering was to maintain the welfare state by using the centralised machinery in the implementation of policy goals. As such, it was a hierarchical model characterised by the belief in control instead of competition – as managerialism advocates (2003: 64). Notwithstanding, contrary to Portugal, the design and implementation of reforms, as well as the whole process behind it, takes place in a context of political and governmental consensus. When governments have significantly different opinions, they aim at finding a workable compromise (Hölttä and Rekilä 2003). With respect to public administration, and based on the previous work of Pollitt and Bouckaert (2000), Temmes, Peters and Sootla (2004) state that "Finnish reforms were also very carefully coordinated and balanced by the developed lead agency institution in cooperation with the ministries to avoid implementation failures" (2004: 14). The same procedures apply to the higher education sector, where dialogue with all stakeholders is encouraged, as well as continuation of policies. Transparency and confidentiality are typical of good steering processes (Treuthardt and Välimaa 2008: 613), at least at the system level. At the institutional level, and as evidenced through the empirical data, it seems increasingly challenging to combine both characteristics.

In order to understand the rise of NPM in the country, it is important to remember the strong stagflation that happened in the 1970s combined with lower economic growth and rising public spending (Salminen 2003: 56). Later on, in 1991, Finland dropped into a deep economic depression and heavy NPM type administrative reforms started (Temmes, Peters and Sootla 2004). From 1991, the sudden collapse of trade with Russia (then Soviet Union), together with the more general recession in the West, sparked a severe economic crisis (Pollitt and Bouckaert 2011: 263). "Trade fell, banks got into great difficulties, unemployment soared to unprecedented heights (18.4% in 1994)" (*ibidem*). Faced with this scenario, the Finnish government had to reassess all societal structures and functions and launched a strong programme of budgetary reform and restraint (Hölttä and Malkki 2000: 231; Pollitt and Bouckaert 2011: 263).

As part of the reforms in the country, and more specifically with respect to marketisation processes, there was a huge decrease of labour force in public services together with privatisation processes. In fact, core staff dependent on the state budget has gradually decreased. In the 1990s, state enterprises employed over 67 000 people, whereas in 1997 employees of state enterprises were less than 5000 (Salminen 2003: 61). The majority of the people, refers the author, is now employed

in private organisations. Competition and profit making as well as new forms of public entrepreneurship were also elements of the market orientation policies. In this sense, it can be said that globalisation and Europeanisation have influenced Finnish politics and administration, by means of installing pressures to increase competitiveness in the public sector. Salminen (2008: 1246) refers that finance markets have been liberalised and deregulated, as Finland had to fulfil the economic and political criteria of the European Monetary Union.

Bearing this specific context in mind, how did managerialism develop in Finnish higher education? Hölttä and Rekilä (2003: 64) refer that throughout the economic recession in the early 1990s and after this period, the welfare state had to be revaluated and, consequently, universities had to take into account the new environment of public sector reform, financial cuts in higher education budgets and the accelerating process of market orientation of society. "Knowledge and education were selected as the major cornerstones of the new (economic) development policy" (Hölttä and Malkki 2000: 231). As such, HEIs needed to develop their strategic capacities to cope with an increasingly changing environment and to deal with regional partners and industries (Hölttä and Rekilä 2003). The cuts in higher education budgets forced the universities and the Ministry of Education to look for new channels of funding (Hölttä and Malkki 2000: 233). There was need to develop a national infrastructure and higher education and research would have an important role in increasing the competitiveness of Finnish industries in global markets (Aarrevaara and Hölttä 2007: 201). In sum, the Finnish higher education system has also faced pressures to reform, namely pressures to improve performance and increase accountability by means of using performance indicators. However, the transition to another steering culture was challenging: "The administrative mentality was bureaucratic, which had to be replaced with a managerialist mind. The Ministerial aim was to create responsive state steering mechanisms instead of hierarchically dictating one" (Hölttä and Rekilä 2003: 64).

Two main managerialist trends can be tracked in the developments of Finnish higher education. The first one concerns the decentralisation of management authority, i.e., the delegation of power authority from the ministerial to university level: universities have now (procedural) autonomy in deciding how to reach the targets set by the FMEC (Välimaa 2007: 72). Universities also have autonomy to hire their own personnel, select students (although not deciding on the number of students to take in), organise teaching and research (although the degrees and fields of study are controlled by the Ministry through a separate decree, the content of degrees is determined by each university) and determine the powers of administrative bodies (Hölttä and Rekilä 2003: 63). In fact, since the 1980s, administration and decision-making systems have been streamlined by reducing the number of levels in decision-making and delegating authority. In the universities central

administration, authority has been transferred to the rectors and, at lower levels to the deans, and other heads of units (Hölttä and Rekilä 2003).

The second main trend has been the introduction of market or quasi-market type mechanisms into the sector, as for example shifts in funding structures combined with decreasing public funding (Välimaa 2007: 72). As an example, and as aforementioned, between 1991 and 1994, public funding declined by 16% in real terms (Eurydice 2000: 463). Välimaa (2007) also refers that the marketisation of Finnish higher education has led to competition both among and within HEIs. Competition is also used by the Ministry of Education as a national steering instrument in the 'management by results' negotiations with each university (2008: 609). Simultaneously, universities also kept up with this competitive spirit of management by results, although for some, these practices have been translated into an extra burden for the departmental level staff (Treuthardt, Huusko and Saarinen 2006: 214). Nevertheless, it is important to keep in mind that the use of market-type mechanisms has been classified as 'medium', considering that the degree of decentralisation that has taken place happened mainly from the central to local government (Pollitt and Bouckaert 2004). In turn, in Temmes et al.'s (2004: 8) opinion, the decentralisation from the state administration to the municipalities has increased coordination problems and fragmentation in Finland. Thus, under similar pressures to make Finnish higher education more economically efficient, and as has happened in the whole Finnish public sector, at the late 1980s/beginning of the 1990s, it was established a steering model based on the regulation of results instead of inputs, which would increase the autonomy of traditionally heavily regulated universities (Hölttä and Malkki 2000; Hölttä and Rekilä 2003). Välimaa (2008: 611) explains that the management by results model aimed at creating a standardised system for steering Finnish higher education. "This aim is in line with the traditions of the Finnish welfare state which has tried to harmonise and standardise its administration and management in all the spheres of public administration" (Välimaa 2008: 611). Or, as Aarrevaara and Hölttä (2007: 201) refer, the development of government steering policy instruments was based on the restructuring of the welfare state.

> "The principle underlying management by results is that the objectives set for institutional activities and the resources needed for their implementation are determined in negotiations between the Ministry of Education and each university. (…) The steering system, in which the Ministry mainly has a strategic role, highlights performance evaluation and incentives" (OKM 2001: 7)".

This was also the time (in the beginning of the 1990s) when Finland shifted from a very traditional and detailed funding allocation model to a system of lump-sum budgeting (Hölttä and Malkki 2000: 234), and where the university budgets began to include performance-based funds. The funding is allocated to the universities as a block grant to be used at their discretion and it has been based on the management by results strategy since 1991. By the beginning of 1994, all universities adopted

budgeting based on operational expenditure and performance agreements – budgeting by results (Kuoppala 2005).

'Results agreements' have become important instruments for the Ministry to steer higher education and they form the basis for strategic decision-making within universities. Since 1998, the Ministry-university agreements (public documents) have been concluded for a 3 years period, where the goals (target results) are collectively defined, resources (operational expenditure) are allocated to implement goals, and performance is measured in terms of outputs. The three-year agreement is revised annually in a supplementary protocol appended to the following year's budget (Ministry of Education 2001: 7). This means that financial aspects are checked and negotiated every year (Treuthardt and Välimaa 2008: 612). All these aspects are determined in negotiations between the Ministry of Education and each university (Ministry of Education 2001: 7). At the end of these negotiations, universities are required to draw an action and economic plan, i.e. an output-based funding agreement (results-agreement) with the Ministry, as well as several other planning documents and annual reports. In turn, the FMEC gives every year all Finnish universities uniform general guidelines concerning the results based on management steering processes between the Ministry and the universities (Treuthardt and Välimaa 2008: 611). Universities are then allocated funding according to the Ministry's funding model. At last, the Ministry is accountable to Parliament, to which it submits an annual report on activities in its administrative field (Ministry of Education 2001: 8). As can be read in the document prepared by the Ministry of Education (2001: 7), reporting is an important element and therefore universities submit an account of the achievement of objectives in their annual reports. In this way, they also provide statistical data for the KOTA database maintained by the Ministry.

In the performance agreements, both the Ministry and universities commit themselves to attain certain objectives "in greater detail" (OKM 2001: 8) which are measured in the numbers of degrees in each field of study, development projects and level of funding (Treuthardt and Välimaa 2008: 612). The most important output elements in the universities' funding model are the annual average numbers of master's and PhD degrees to be awarded during the contract period (Aarrevaara and Höltta 2007: 201). Other targets also concern, among other things, the number of students studying abroad, the foreign students admitted to complete full Finnish degrees, the development of the student selection and the student counselling procedures, the universities' social services, the development of human resources and occupational effectiveness (Treuthardt and Välimaa 2008: 612). Institutional profiling is also part of the agreements, although they are based on proposals made by the universities themselves (Hölttä 2003: 63). Thus, the management by results policy

instruments were based on contracting between the Ministry of Education and universities, accompanied by a funding model linking the agreed goals (Aarrevaara and Höltta 2007: 201).

Within this framework, universities have autonomy to create their own translations of the management by results model of governance (Treuthardt et al. 2006: 212). However, Salminen (2003: 64) criticises the way in which results are targeted and controlled for being highly 'technical', based on setting numerical targets. Aarrevaara and Höltta (2007) directly connect this steering model with NPM:

> "This set of goals, agreed in the late 1980s and early 1990s for the development of government steering instruments for the higher education system was in line with the ideas of NPM and the corresponding measures were developed in all sectors of public administration in Finland" (2007: 201).

In fact, as the authors explain, the master's and PhD's degree goals are aimed at reflecting and measuring the educational and research productivity of universities (2007: 202).

Certainly, at the late 1980s and during the 1990s, the governmental steering approach to higher education and the political atmosphere had changed, based on the Higher Education Development Act 1987-1996 and the University Act of 1997 (Hölttä 2000: 468), which was promulgated on the 1st of August of 1998. As an example of these new times' changes, increased accountability began to be demanded from the universities (Treuthardt et al. 2006: 211). Salminen (2003: 64) refers that accountability criteria at universities are the same as for any public institution. As such, rectors, deans, heads of departments and administrative staff (technostructure) are accountable for their performance and increasingly more they are empowered or stimulated by the use of mechanisms as performance-relayed salaries (*ibid*). Pressures towards more performance-oriented behaviour at the individual level started to increase when a performance based salary system was introduced in 2005 (Aarrevaara and Hölttä 2007: 202). This performance-related salary system replaced a system that guaranteed equal salaries to all members of the academic community who were at a similar level or position in the academic hierarchy (*ibidem*). The requirement that universities' and polytechnics' staff work to performance targets and output objectives has been another trend in Finnish higher education, which reflects NPM practices. In Finnish HEIs, this trend was translated in an increasing number of "project researchers", i.e. academics who have been appointed for a certain fixed period only to carry out a specific research or development project (Välimaa and Neuvonen-Rauhala 2008: 84). Furthermore, the impact of this new government steering model of management by results is visible in the reduction in the ratio of teaching staff to the number of academic degrees awarded (Aarrevaara and Seppo Hölttä 2007: 207).

Aarrevaara and Hölttä (2007) explain that after the administrative reform of Finnish universities in the 1970s, the power of administrators has increased and the role of the rectors shifted. Whereas

in the previous steering model rectors had a traditional role with little decision-making or managerial power, in the management by results system, "(…) the rector represents the university in the negotiation on the performance contract, signs it and is responsible for its implementation at the institutional level" (2007: 202). The universities were also able to nominate representatives of the external society to their governance bodies (Hölttä 2000: 465). But, until the latest Universities' Act (558/2009), universities have not made much use of this possibility, mainly due to the years of centralised control. Only at the national level, the advisory role of stakeholders has increased, especially those from industry and business, both in permanent structures and in *ad hoc* committees and working groups (Hölttä 2000).

Concerns with quality also started to emerge at this stage. Treuthardt et al. (2006) explain that until the end of the 1970s, 'quality', as a concept, did not exist in policy discussions at system level, probably because quality was perceived either as something irrelevant or a self-evident feature in higher education. But, during the 1980s, it started to be seen first and foremost as a competitive factor in higher education policy. In parallel (or consequently), continue the authors, in order to improve quality, resources had to be 'reorganised' or even 'liberated', while from the point of view of the academic community, it seemed that quality had to be improved while resources were cut (2006: 212).

The change in the steering system is well illustrated in the 1997 University Act, and has further enlarged universities' autonomy in internal matters by delegating many matters previously regulated by separate Acts and Decrees to the universities decision-making bodies (OKM 2004: 8). The role of the Ministry of Education is "restricted" to strategic plans and target setting, as well as monitoring the overall performance of the universities (Eurydice 2000: 462).

The introduction of the lump sum budgeting system set the beginning of the development of financial autonomy (Aarrevaara and Hölttä 2007: 203). The new act promoted a loose legislative framework leaving much room for each university as regards decision-making, and emphasising university management. With the new steering system, evaluation has become an important element of the process. With this University Act, the idea of educational equality became a *visible reality* as the legislation stipulated that education leading to a degree in Finnish universities is free of charge (Hölttä 2000: 469). And, in fact, the pursuit of an equal and fair educational system (at all levels of education) is still cherished in the country, being one of the Finnish (higher education) educational hallmarks.

Concerns with quality were high in the political agenda and in a relatively short time, the first experiments on systematic evaluation were conducted, in a way that evaluation became institutionalised in the Finnish higher education system (Treuthardt, Huusko and Saarinen 2006).

FINHEEC was established by the Decree 1320/1995 and quality "became a solution to problems of higher education, such as requirements of internationalisation and student flows" (2006: 212). At the same time, the former advisory body to the Ministry of Education, namely the Higher Education Council, was abolished[76] (Hölttä 2000). Since the mid 1990s there has been a steady increase in institutional evaluations in Finland: "Every Finnish university has conducted an evaluation of its operations and activities, usually involving a total evaluation, where self-evaluation plays a central role" (Treuthardt et al. 2006: 214). Since the 1996 reform of university funding, self-evaluation was required by law in educational institutions at all levels (*ibidem*).

It is important to refer that one of the main drivers for change in Finnish higher education was the joining to the EU in 1995, as this has been seen as a natural step towards a more accountable and transparent mode of higher education (Aarrevaara 2012: 86). Additionally, and similarly to what happens in Portugal, governance and administrative changes in Finnish HEIs were largely implemented by means of top-down policies that were significantly influenced by international organisations, such as the OECD and the EU (Kallo 2009; Kauko 2011). Or, as Rinne (2004) states: Finnish higher education policy "is no longer very national nor very Nordic, but more and more EU and OECD-like" (2004: 127). In fact, the author is critical regarding to the shift of policy-orientation that Finland suffered since its entrance in the EU: from the traditional state-centred welfare policy towards more market-driven policies. Rinne goes further in his arguments by saying that small nations like Finland are not fully able to carry out their own independent foreign, domestic or even educational policy (Rinne 2004: 95).

Also part of NPM efforts, a structural development programme was introduced in 2006 with the purpose of concentrating higher education into larger units by merging institutions, while avoiding overlapping of study programs. This Action Plan will reduce the number of Finnish HEIs from 20 universities and 26 polytechnics to 15 and 18 respectively. Later on, following OECD (2009) recommendations for providing Finnish HEIs with more autonomy and a more entrepreneurial character, the country went through legislative changes in 2008-2009, resulting in the New Universities Act (*Yliopistolaki* 558/2009), which came into force in 2010. It can be thus said that the most managerial values in Finnish higher education are efficiency, result orientation and goal rationality. In the words of Rinne (2004):

> "The new principles of entrepreneurialism, managerialism, competition, funding by results, continuous assessment, top unit policy, contracting and fighting for external funding have totally changed the old landscape. The 'enterprise university' has almost totally occupied the field of higher learning" (2004: 127-128).

[76] Hölltä (2000: 468) refers that the Higher Education Council was established during the period of the I Development Act (1967-1986) to coordinate the development of the system and it was a central permanent governance body between the universities and the Ministry of Education.

Finnish HEIs have absorbed the private sector commandments quite well, especially in what concerns to human resources management, marketisation and commercialisation and transfer of scientific knowledge and economic exploitation of research and development. In fact, as Välimaa and Hoffman (2007) stated, the marketisation of knowledge, both in research and teaching, represents a major social force in Finnish higher education dynamics[77], rooted in "(…) the strong expectation that the state should play a key role between society and market" (2008: 274). The third mission of universities – 'service to society', implies a closer connection between research and the worlds of industry at local and regional levels (2003: 67).

In sum, the 1990s marked a changing point, or a continuation strategy in Finnish higher education and government steering policy, where the government still has an important role "(…) in the process of building up a comprehensive research and educational infrastructure for the nation and its industries" (Aarrevaara and Hölttä 2007: 206). The aim was to align HEIs research with the national efforts of increasing the competitiveness of Finnish economy. However, this emphasis on competitiveness and effectiveness also brought an increasingly unequal division of resources, "(…) as it is considered desirable to favour 'diversity' and 'giftedness' and to open up new pathways for the best human capital and centres of excellence, i.e. for those with special gifts and inclinations" (Rinne 2004: 95).

Aarrevaara and Hölttä (2007: 209) explain that, although the higher education system has become more market-oriented, the system (as well as the academic profession) is changing more due to government policy and steering mechanisms rather than external forces. According to Aarrevaara and Hölttä (2007: 207) in Finland, the idea of a welfare society is still present in the development of the system, although the goal of equality has been replaced by the welfare goals of a knowledge economy based on the competitiveness of high technology production. In Portugal, the idea of a welfare society was never really present as it was in the most preeminent European countries. And, especially since 2007, when the economic crisis triggered (a bit) all over Europe, and the (short-run) aims for the system has been its survival by means of severe cutbacks in HEIs daily operations, this ideal has been deconstructed at all operational levels.

Although Finnish HEIs have been gaining more autonomy, until recently, the main reforms in the system were started by the Ministry of Education, a fact reflecting the strong position of the

[77] Välimaa and Hoffman (2008) refer that the idea and construction of the knowledge society has been taken seriously in Finland. "The Finnish Ministry of Education set up an expert committee to prepare a national strategy for education, training and research in the Information Society (or rather Knowledge Society, because the words information and knowledge are synonymous in Finnish) in 1994. It set the objectives for the national development plan which was implemented in January 1995" (2008: 273).

Finnish Ministry (Välimaa 1995). Furthermore, and despite the latest developments, the government is still the most important funding body for higher education. Also the Finnish Council of Rectors, when compared to its Portuguese counterpart, has a more 'unlit' role, with no significant/relevant political action. Nevertheless, differences among these 'buffer organisations" (between the government and HEIs) should be framed and understood in the light of the countries cultural specificities. Considering the present situation, it seems reasonable to expect a more politically active role from Portuguese HEIs from Finnish institutions.

V
Methodology and Operationalisation

> "No one approach can produce all relevant 'truth', that different theories and methods are associated with different 'truth effects' and all truths are partial truths, and that we are not so rich in our understandings of comparative education that we can afford to neglect the insights of a range of approaches" (Marginson and Mollis 2000: 22).

Throughout the dissertation, a reflection has been developed upon the concepts, contexts and theories considered most appropriate for the understanding and conceptualisation of the object of study.

Based on the conceptual and theoretical framework, this comparative study analyses Portuguese and Finnish HE systems and investigates how such disparate countries react to similar *pressures to change*. The processes of policy change studied here – the Bologna process and pieces of legislation aiming at changing HEIs governance – are also analysed through the perceptions that different actors have in both countries

It is not in the aim of the study to assess whether these reforms have reached or not the intended outcomes… That would be an investigation that goes much beyond the aims, scope, time, funding and capabilities of this research project. However, it is possible to gather solid enough evidence to enlighten the factors and processes that explain convergence and divergence, similarities and differences between both HE systems paths and choices and how these countries behave in terms of design and implementation of HE policies. In sum, questions about policy making, such as how HE policies are designed, how key actors interpret and accommodate them and what explains differences in behaviours are aspects that fit the scope of this research.

The interest in this topic emerged from the changes that both countries have been undergoing in the last decades within their HE systems, more specifically in their governance and management structures, and which became particularly evident after the introduction of the Bologna process and, later on, with the drafting of the new legislation which allows both Portuguese and Finnish HEIs to be transformed into public foundations operating under private law. These new legal frameworks owe much of its guidelines to the "inspiration" provided by the OECD reviews of both Portuguese and Finnish HE systems. It can thus be said that, through different strategies and at different paces, both the Bologna process and NPM push universities to be more competitive, converging in their methods to attain the desired objectives. In fact, the concept and role of the University has been

changing and challenging as the contexts and environments where HEIs operate. This is also what sparks interest in this theme as a research object.

The chapter starts by briefly reviewing the conceptual and theoretical choices taken so far. It then introduces the discussion on the methodological counters of the research design, namely the rationale for choosing a qualitative methodology which is materialised through a comparative "case(s) study(ies)" with different dimensions of analysis; the motivation and interest on both Portuguese and Finnish HE systems; the time frame (period) of the study and scope of analysis; the instruments selected for data collection, and the strategies used to deal and treat all the information that was gathered. In sum, this chapter grounds and reasons the methodological research approaches believed to better answer to the research problem and subsequent research questions.

Firstly, the literature review and conceptual analysis developed in this study starts to contextualise the forces and drivers of convergence of HE at the global, European and international levels of action. In parallel with the increasing globalisation, internationalisation and Europeanisation of HE, of which the Bologna Process, the Lisbon Strategy and the subsequent use of the OMC are the most visible changes of these dynamics, it is also included the massification of HE as factors speeding up change in European HE. Due to the use of soft law policies as the OMC and the action of international organisations as the OECD, nation-states are compelled to catching up regarding education performance in order to not being labelled as 'laggards' (beta-convergence). Consequently, the Bologna process through the establishment of the EHEA and the ERA, works as an instrument for HEIs modernisation and professionalisation, stocking national reforms. In this scenario, the nation-state is gradually *loosing* its preponderance to the EU arena (and other international organisations), which is gaining increasing legitimacy and leverage on issues where previously it had no domain, such as educational policy. This redistribution of responsibilities culminates in a complex network of actors and several levels of governance. In fact, the Bologna documents highlight the notion of HE as a public good and a public responsibility, also creating pressures for searching "good" governance in the sector (Zgaga 2006).

As such, the conceptual analysis followed the importance attributed to the process of governance and how this has been shifting in the last decades. A reflection on the changes of governance modes and ways of looking at governance was necessary to understand how changes in the public administration sector have been passed and extended to the HE sector. In this sense, the *market* ideology and concepts that are generally identified as the NPM represent therefore a new model of public governance. This analysis already remits us to the national level of action, as well as to the divergent factors affecting both the Portuguese and Finnish HE systems. As it was described and as it will be studied in the following chapter, this new paradigm of administrating the

public sector had and has a different impact and acceptance in both countries. This makes necessary to broaden the assumptions about the possible reasons (in addition to the Bologna process and changes in governance) that trigger reforms not only at the system level but also at the institutional level. Thus, the different degrees of intensity with which NPM manifested in each country are then visible in the pieces of legislation enacted by both Portuguese and Finnish governments reforming governance of their HEIs.

Theoretically, the study draws on the institutional perspective, mostly on the new-institutionalism stream as theoretical basis for understanding the way institutions shape the behaviour of their members, how institutions interact with their environments and actors appropriate institutional and professional norms, codes, and how actors cope with change.

The literature review of these distinct but complementary fields of study not only elucidates on the factors that allow for changes in HEIs governance and management to happen, but also to understand how they relate among themselves and how they impact the academic community in general. Viewed from this perspective, it can be said that the Bologna process represents just another piece of the conundrum of HE dynamics. Indeed, not only HE scholars, but also researchers from other disciplinary fields have examined the impact of the Bologna declaration in their scientific fields. Although, most of their analysis relate mostly with the academic and pedagogical aspects of the process, flexible learning paths; recognition processes; issues related with quality, mobility, the attractiveness of the EHEA, i.e. aspects related with the *first stage* of the Bologna Declaration (Witte 2004; 2006).

With respect to the link between NPM, the Bologna process and governance changes, the number of studies decreases significantly, and mainly relates with aspects concerning to university autonomy, strategic partnerships and cooperation initiatives (between other HEIs, at home or abroad, and with industry and other enterprises) and quality assurance issues (e.g. EUA studies). The word governance seldom appears in Bologna official documentation, at least in the documents concerning the first stage of the process (1999-2010). One of the possible explanations for the "scarcity" of studies in this topic lays in the difficulty of interlinking the Bologna process with institutional governance aspects, since there is no specific line of action which explicitly refers to changes in governance and management of HEIs. In addition to this, there is the fact that the Bologna declaration is a voluntary commitment of each signatory country to reform its own HE system and therefore, at least formally, the reform is not (coercively) imposed upon national governments or universities.

Bearing this brief background in mind, the task is to know the "why and how", or, by other words, to find a train of thought capable of ground and reason the methods used to develop the

work which will answer to the research problem and questions defined for this study. The following subsection revises the research problem and subsequent research questions and explains the methodological process used.

5.1 Research Design – The Methodological Process

Throughout the following sections of this chapter, the methodological procedures and choices adopted in this study in order to answer to the research problem and research questions will be described and justified.

Research Problem: How do different national HE systems and HEIs implement similar political changes as the Bologna process and governance reforms?

R. Q. 1 - How did different national HE systems and HEIs in Portugal and in Finland cope with similar external pressures as the Bologna process and the NPM? How both policy processes have been designed and implemented in both countries?

R. Q. 2 - Which major changes happened within the organisational structure of HEIs? How HEIs change their governance and management practices to cope with external pressures?

R. Q. 3 - Is it possible to evidence changes in the way work is organised within HEIs? And in the way decision-making processes are taken? How these external pressures influence the way academic work is carried out (and in the way academics participate in decision-making practices)?

To answer these questions it is necessary to study the research objects by stages, while never loosing sight of their complementary and interconnectedness, as well as the heterogeneity of the countries to be compared. This means that after defining the policies that would be picked as examples for analysing how change is accommodated in both HE systems, it was necessary to fully study and grasp them. Thus, by engaging in a deep analysis of both the Bologna process as well as the latest governance reforms in Portuguese and Finnish HEIs, e.g. the contexts that gave birth to these processes, as well as the national characteristic and HE systems specificities, the actors involved, the mechanisms used to implement change, by listening to "the voices of the practitioners" (Pollitt 2003: 26), and to revise useful conceptual and theoretical frameworks, the study already pursuits an empirical research objective, underlying all the research questions and giving enough leeway to explore the research problem. However, only after being completely familiarised with these scenarios, it is possible to move forward, and to understand changes and processes at the level of basic units of HEIs.

This was necessary to support the research design, which ultimately aims at elaborating a comparative analysis, built through the study of other *smaller case studies*. In turn, these intend to be an analytical tool in which the individual case studies can be compared in order to operationalise the different purposes of the research. Thus, the initial theoretical and methodological choices should be able to answer the question "what do we want to compare and why?" According to Bray (2005: 45-46), these questions are essential in comparative education, which "should play a very different role in the era of globalisation".

The data was collected, organised and interpreted bearing in mind the individualities of each country. In a study with such cultural sensibility and especially during the times the empirical data was collected, this is a task of paramount importance. As reminded by Neave (2001):

> "There is a tendency in comparative higher education to concentrate on analysing the function of institutions and the mechanisms of educational and administrative procedures as if these processes may the more easily be grasped by stripping them away from their cultural, political and historic settings" Neave (2001: 46).

It is thus based on the results obtained with these within-cases analysis, covering both internal and external governance aspects that the factual basis for the comparative framework will be obtained. Consequently, it will be possible then to position the differences and similarities of each country in order to be mapped in the dimensions of analysis, which focus on the international, national and institutional level of analysis. Additionally, and as referred by Witte (2006), Marginson and Mollis (2001), during the whole research process it was acknowledged and strengthened the importance to leave sufficient leeway for countries' specific characteristics. In fact, one of the main "added-value" aspects of this study lays in the cross-case comparison of the dimensions elaborated through the content analysis phase. Thus, the research design is based on the interconnectedness of the different methodological steps of comparative and case study methods.

Välimaa (2008) summarises the richness of comparative of HE in the following paragraph, which totally applies to this study:

> "One of the benefits of a comparative research is the fact that comparative interest in knowledge challenges us to change our intellectual perspective. It is, indeed, useful to try to understand one's own (familiar) higher education system from the perspective of other systems, or to seek to understand other systems of higher education from the perspective of one's own system. A real cultural challenge for a higher education researcher is trying to be culturally sensitive in order to be able to recognise not only things that are different (and easy to see), but also to try to learn about things that one assumes to understand because of their (seeming) similarities" (2008: 153).

5.1.1 (Individual) Case Studies

Yin (1994: 1) refers that a case study is the preferred strategy when one wants to answer to "how" and "why" questions, when the investigator has little control over events, and when the focus

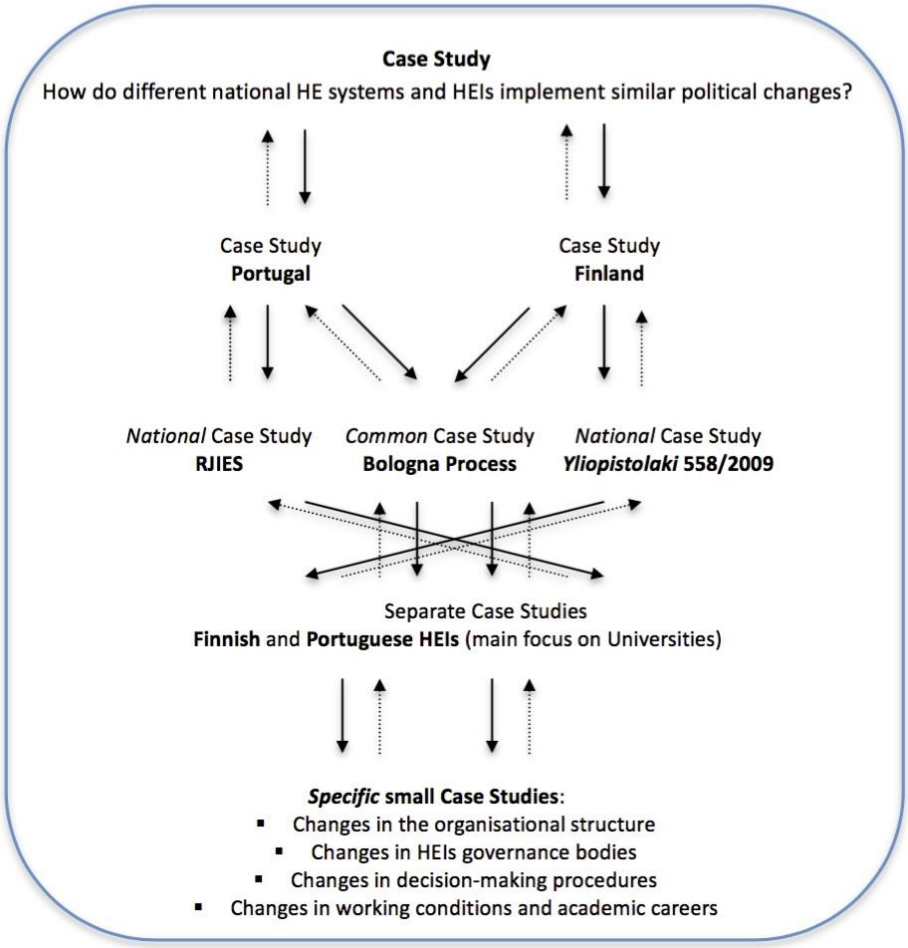
is on contemporary phenomenon within some real-life context. According to Yin, and considering the nature of the research object, a case study approach seems to be the most appropriate strategy to support and guide this research. A quick review to the research problem and research questions, confirms Yin's strategy. However, the case study approach is used here mostly with the purpose of organising the data by specific cases (dimensions) so that these can be in-depth studied and compared. The smaller case studies (as the researcher calls these dimensions of analysis) are the building blocks of a thorough within case analysis. Thus, as a unit of analysis, a case (or the cases) is usually determined during the design stage and becomes the basis for purposeful sampling in qualitative inquiry (Patton 2002: 447). Nevertheless, Patton (2002) and Yin (1994) referred – and confirmed throughout the data collection and analysis stages – new units of analysis emerge during the fieldwork or from the analysis after data collection. In this way, the case study can be seen as either the process of analysis or the product of this analysis or even both (Patton 2002).

Throughout the research process, and using Patton's terminology, layered case studies were constructed, which have the main advantage of building larger case units out of smaller ones. The following schema, based on Patton's (2002) model, shows possible analysis layers according to the object of study and research design. As seen in the scheme, the possibilities and paths of analysis are diverse.

When analysing the information gathered, a very simple methodological principle was followed: starting from the general to the particular level. This does not mean that there is any special "hierarchy of importance" with respect to the data. Due to practical reasons and to follow a logic sequence, some small case studies were carried out simultaneously. This is a recurrent phenomenon when doing social research: qualitative analysis may occur in conjunction with data collection (Blaikie 2000: 232) and therefore, it might be difficult to accurately divide the stages and frontiers of both processes. In fact, also Glaser and Strauss (1967: 2) stated that in sociological research generating theory goes hand in hand with verifying it.

As can be seen in figure 10, by approaching the research object through layers, there is always possibility of combining and analysing at the same time smaller or individual studies into separate and national studies. As Stake (2000) refers: "We may simultaneously carry on more than one case study, but each case study is a concentrated inquiry into a single case (2000: 436). Thus, it is the researcher's main responsibility to do justice to each individual case, once that everything else will depend on that (Patton 2002). Furthermore, "to explain a phenomenon is to stipulate a set of causal links about it" (Yin 1994: 110).

Figure 10 - Case Study: Layers of Possible Analysis



Source: Adapted from Patton (2002: 448).

This is why, the previous chapter introduces each country's situation before these reforms were established, and then the developments each HE system has been through, always leaving room and relevance for each country specific characteristics, in order to follow what Patton said: "The case study should take the reader into the case situation and experience (…)" (2002: 450). Nevertheless, although, on one hand the researcher has the possibility to focus on a specific case and identify the various interactive processes related with the main case study, on the other hand, the need to bring the reader into the exact context might require that the observation and data collection periods will extend for a long time. The little chance of obtaining generalisations, as well as the existence of several techniques of data gathering (e.g. document analysis, interviews and observation) are also presented as limitations of this type of methodology. However, when doing qualitative research and analysing change processes, especially HE changes that emerge from unique reform processes at the international level, and pieces of legislation that aim to be also fit for a specific country and/or situation, the purpose of legitimising research by means of the generalisation events, the representativeness of samples seems to be extremely challenging, at best. Sayer (1992) is

straightforward about the critics of case studies and their ability to create towards generalisations: "what causes an event has nothing to do with the number of times it has been observed to occur and nothing to do with whether we happen to predict it" (1992: 110). However, on this, also Flyvbjerg (2004) points to the "problematic" use of the case study approach as a research method, considering such diverse and even opposite views:

> "You cannot generalize from a single case', some would say, 'and social science is about generalizing'. Others would argue that the case study may be well suited for pilot studies but not for full-fledged research schemes. Others again would comment that the case study is subjective, giving too much scope for the researcher's own interpretations. Thus the validity of case studies would be wanting, they argued" (2004: 420).

As mentioned above, more than discuss the validity, or the advantages and disadvantages of using a case study approach rather than other research methods, this chapter explains and justifies the reasons why, bearing in mind nature of the questions to be investigated, a case study research method was preferred. In fact, the case study method is applied in this dissertation beyond its *potentialities* of a specific method. As evidenced through Figure 10, the case study method not only grounds and reasons the work, but it also structures and enhances the research process as well as data collection and analysis through which answers to the research questions emerge.

A "representative" sample of the study object was then chosen, by selecting in each country different types of institutions: a university and a polytechnic, where professionals with different roles were interviewed.

5.2 Rationale for a comparative research approach – Why to compare

The aforementioned statement of Välimaa (2008: 153) – on the benefits of a comparative research and how it challenges us to strengthen our intellectual perspective – summarises, in a general way, the main reasons that led to the choice of a comparative design, build up methodologically through several case studies. Nevertheless, though the Bologna process represents the starting point concerning the interest for the research topic, this study is developed taking into account the evolution of both HE systems before the implementation of the Bologna declaration until the final stage of the doctoral studies (beginning of 2015).

The temporal expression "before Bologna" refers to a certain period of time, difficult to determine, but which is appropriate to consider its beginning in the early 1980s, when, as seen before, European HE has come under pressure to change substantially.

Following Välimaa (2008), and personally speaking, I would say that the greatest richness and complexity in trying to study the Bologna process and its relationship with other change phenomena is its multiplicity of levels and actors and their inseparability of a global context in which HE systems

operate. The value of a multi-level and multi-actor analysis represents thus a challenge, and simultaneously an asset for this study.

Methodologically, comparison appears *naturally* as the most appropriate approach to this type of research: a comparative design with case studies covering HE changes and factors of convergence in both Portugal and Finland. However, this study is far from the main practical role of comparative education identified by Marginson and Mollis (2001), namely "(…) to provide technical support for hegemonic policy strategies of convergence, imitation and homogenisation, whereby different national education systems are pushed towards global models based in idealised representations of 'Western' (and mostly American) education" (2001: 581). Being aware of the complexity of different national settings, the researcher is also acknowledged with the fact that comparative research requires the analysis of several aspects that cannot be strictly controlled as a perfect research designs calls for (Teichler 1996: 462). Nevertheless, by using comparison as an analytical tool, it is possible to understand further, beyond what is immediately perceptible[78]. As Mark Bray (2005) wrote, comparative education research relates to cross-national analyses, encouraging its participants to be outward looking and responding to changes at a global level. As such, this study is identified with what Marginson and Mollis (2001: 587) consider an "agnostic position on the relationship between sameness and difference", considering that these two opposites cannot be absolute once it would demise the potential for meaningful comparison. Therefore, the methodology chosen to conduct this research should be oriented towards the interpretation of differences and similarities in a wider set of changing contexts.

This chapter does not aim to go deeply into the history and evolution of comparative education as a scientific field of study and method of inquiry, although it relies heavily on the works of Bereday (1972), Schneider and Schmitt (1998), Marginson and Mollis (2001); Flyvbjerg (2004), Ferreira (2008), Silova (2009) and Cowen and Kazamias (2009). Moreover, as Altbach (1985: 2194) argues,

> "there is no widely accepted discipline of comparative higher education with a specific methodology. Indeed, the term 'comparative' is often misused in that it is applied to the study of educational phenomena in at least one country by a national of a different country".

However, there are some notions that need to be clarified. First, what is meant by *comparative studies* and a *comparative approach/method*? As the word itself denotes, comparison implies the existence of contrast and difference, variation of a particular object over another, which in turn also implies the existence of a certain level of similarity. The definition of comparative studies by Goedegebuure and Van Vught (1996) goes in line with the object of study and complies with the nature of the

[78] "If I have seen further it is by standing on the shoulders of giants". Since this statement appeared in a letter that Isaac Newton wrote to a fellow English scientist, Robert Hooke, dated from 5th February in either 1675 or 1676, this quote has been attributed to Isaac Newton, though there is no arguing that it is originally written by himself.

questions to be investigated: "(…) studies using comparable data from at least two societies (Armer 1973, p.49) or as a form of multilevel research (implying comparative analysis both within and across systems) (Przeworski and Teune 1970, pp.50-51) (1996: 371)". By being a multi and interdisciplinary field of study, comparative (higher) education research demands a certain ability of spatial learning and that the researcher embraces a holistic view in the description, interpretation and conclusion research process (Ferreira 2008). In this way, and as highlighted by Bray (2005: 37), while comparative education provides a valuable meeting point for disciplinary perspectives, it also increases the potential for confusion. This remit us for an important point highlighted by Välimaa (2008: 143): the fact that comparative research is often normative not only because there is no "authority" to define what is "a good" comparative research, but also "because the idea of comparison easily turns into the idea of competition, when the research outcomes are interpreted to the common public – or the policy makers".

These perspectives relate with the advantages of comparative studies praised by several authors (Bereday 1972; Rothblatt and Wittrock 1993; Schneider and Schmitt 1998; Flyvbjerg 2004; Välimaa 2008), namely the fact that they enable to define and even prioritise different dimensions to be studied, making it easier to understand their social dynamics (Välimaa 2008). In this sense, it is also possible to extend the comparative analysis to other sectors and, for example, to determine the success and failure of certain policies applied to public sector services. As such, the comparative method is a tool for analysing several dimensions in order to identify similarities and contrasts in relation to a specific issue (Rothblatt and Wittrock 1993), as for example, the analysis of recent developments in the EHEA. Rothblatt and Wittrock (1993) referred that "(…) by merely posing the question does focus attention on comparison, and this in turn leads us toward new questions, new puzzles, new sequences, and perhaps new data" (1993: 7). This sentence summarises well this research process – common in social sciences.

"Generally speaking", this study is guided through the comparative method explained by Ferreira (2008), which basically coincides and gathers Bereday's and Noah and Eckstein (1969) contributions to comparative methodology. The expression "generally speaking" was purposely used here because there are steps of both methods (Bereday's and Ferreira's) that were not followed, e.g. the guiding hypothesis for the collection and presentation of proven facts. According to Ferreira (2008), Bereday developed the most important comparative method in the history of comparative education.

Ferreira's method is constituted by three main stages: pre-descriptive, descriptive and comparison phases. Briefly, the pre-descriptive phase pays primarily attention to the identification of the (research) problem, to the formulation of the first hypotheses and the delimitation of research,

including this part the definition of the object of study, concepts, fields of study or cases to study (inter or intra-national comparisons) and research methods. Later, during the descriptive stage, it is time to collect and present the data to be interpreted and then to draw analytical conclusions. The third and last phase, the comparative moment, consists in developing the comparative analysis by combining the information gathered with the analytical conclusions and then to elaborate the final comparison.

That being said, the dimensions of both HE systems that aimed to be analysed were identified, and these are the cases studies of this research. However, and as already mentioned here, it is challenging to completely and accurately assess the *impact* of HE reforms. By our own research experience, and as Carvalho (2009) referred, it is not always viable, theoretically and empirically, to separate these reforms from other changes which occur simultaneously in the same political, institutional and organisational environment. However, there are *advantages* of focusing also at the institutional level, considering the specific nature of HEIs, namely their bottom-heavy character which allows for some *stability*. Despite the increasing globalisation and internationalisation character of HE, universities still hold permanent characteristics and seek for long-turn stability (Oliver 1991). Nevertheless, even if there are different and opposite "theorisations" of globalisation, as Marginson and Mollis (2001) explained, the analysis of its effects is fundamental when developing comparative international studies in HE once globalisation has created "a new geopolitical cartography that traces the flows of global effects and the patterns of imitation, difference, domination, and subordination in education policy and practice" (2001: 612). Furthermore, as a loop which is in continuous movement (rotation), globalisation cannot be dissociated from the neo-liberal ideology and from the "markets" where entrepreneurial universities perform their activities (Douglas 2005), and where individuals became more competitive for resources, jobs, income and security (Clarke and Newman 2000). In this way, comparative education can and should play a very different role in the era of globalisation (Bray 2005: 44). Nevertheless, whether on one hand international comparative research in the HE field (and in other academic areas, very often applied as *social sciences* and/or *soft disciplines*) has known both qualitative and quantitative development, such improvements were not attained without setbacks. Based on Teichler's (1996) work, the following table summarises the main methodological and practical issues when doing comparative research on HE. Particular attention was paid to those *problems* experienced by the researcher.

Table 11 - Methodological and Practical Issues of Comparative Research on HE

Methodological Issues	Practical Issues

- No different logic from research within a country - Indispensable for study of macro-societal phenomena - Most successful if starting off from a semi-structured set of assumptions - Comparative approach challenged by world system and Internationalisation	- Language barriers - Other barriers to acquisition of field knowledge - Higher costs and efforts - Funds provided only if relevant for political issues - Problems in the collaboration of international research teams

Source: Adapted from Teichler (1996: 449).

One of the first and most obvious problems immediately pointed out by researchers are the language barriers (Bereday 1972; Teichler 1996). Unless the researcher is familiar with the languages of those countries he/she aims at comparing, he/she will certainly encounter difficulties when gathering and analysing data and carrying the empirical part of the project. This was in fact one of the problems faced when the researcher moved to the Finnish arena, academically and physically speaking. Therefore, when doing international comparative research on countries with such different languages, it would not be correct and/or appropriate to choose one of them (which obviously would be my mother tongue) to write this dissertation. English is thus the language of (international comparative) research.

Teichler (1996) also affirms that the language barriers also imply another limitation when doing research on comparative international education, namely the fact that it takes more effort (temporal and financial) and more *problems* in acquiring sufficient field knowledge. One needs to spend time and money to move to the countries one aims at investigating. In addition to this, when carrying out international comparative studies instead of a study focusing on one single (and home) country, additional costs, time and personal efforts have to be borne to overcome the language barriers and the lack of information (Teichler 1996). Thus, despite these difficulties, which factors motivated a comparative study between such disparate corners of Europe as Portugal and Finland?

5.2.1 Countries Selection – Why Portugal and Finland?

Being comparison the main concern and asset of this dissertation, the choice of countries was guided by academic, pragmatic and factual reasons, as well as by personal aspirations.

Qualitative methods are predominantly used. The case studies analysis seeks more for analytical *generalisation* rather than statistical representation, despite the study focus only in two countries. Nevertheless, it is possible to envisage that some of the conclusions discussed here could be

extrapolated to other HE systems, at least for those which are undergoing similar changes. Naturally, it would be very interesting and fruitful to extend the analysis to other countries, not only European, but also to other parts of the world, and with other political and historical traditions concerning their systemic HE organisation (Humboldtian, Napoleonic and Anglo-Saxon models). Anyway, in addition to the reasons for choosing Portugal and Finland that will be explained bellow, financial and temporal issues have also determined the choice. Thus, it was aimed to establish the best possible balance between relevance and depth of analysis within the available time frame. As such, whether it seems obvious why, as Portuguese student, I have become interested in Portuguese HE developments; the same may not be so evident with respect to Finland.

After six months of experience as a student in the University of Tampere (Finland) as an Erasmus Mundus student of HE studies, and having studied before in the University of Oslo (Norway), I became genuinely curious and attracted by the Nordic experience and attitude towards HE. For many years, Finland has been an *educational leader* and the good student of the EU. Being a HE student, and HE policy the core focus of the research object, it became very clear for me that this academic journey needed to be pursued also in Finland.

Simultaneously, the interest lays on how such different countries, not only geographically but also with completely distinct socioeconomic structures, ended up developing similar HE systems in terms of organisation and structure, resulting in the approval and adoption of similar policy initiatives concerning governance and management practices of their HEIs. Among these initiatives, there are two aspects related to the organisation and origin of the reforms of these systems that sparked my interest in comparing Finland and Portugal. The first concerns the fact that both Portugal and Finland have a binary structure, which used to confer longer 1st cycle degrees, despite the two-cycle degree system has been first adopted in Finland (in 2005) and later in Portugal (in 2007). Another aspect is that, in addition to the Bologna process, and as mentioned above, the latest reforms of the HE sector were strongly promoted by OECD (and ENQA) recommendations. Thus, although it can be argued that the Bologna process represents *just* another booster for reforming the sector, taking into account the increasing globalised and Europeanised environment where HEIs operate and where managerialist ideologies have been playing an important role, it was the unfolding of the Bologna process and the latest HEIs governance reforms that led me to the formulation of the research question. Furthermore, the interaction of the actors involved at the different levels (supranational, international and national) that the Bologna process entails within different contexts represents a challenge and simultaneously a personal interest. This personal motivation is also incited by the particularity of certain differences of both countries: Portugal and Finland are small

countries, with significant contrasts in the number of inhabitants and climate. In addition to demographic and geographic factors, one can say that they have 'walked' opposite economic paths.

> "During much of the 1990s, economic growth in Portugal was above the EU average but developments in the 2000s led to a situation whereby it is now receiving support from the IMF and the European Financial Stability Facility and is undergoing drastic budget cuts. As for Finland, it has been described by a major online business information service as one of the EU's best performing economies whose "... banks and financial markets avoided the worst of the global financial crisis" (*EUbusiness* 2011)" (Kauko and Diogo 2011: 117).

It is also quite interesting the fact that Finland is a bilingual nation and two universities teach predominantly in the Swedish language. With such differences it is (personally) surprising how HE in both countries is going through such reforms, whose outcomes are still difficult to foresee.

5.2.2 The Selection of HEIs

Four HEIs were chosen for the study and inclusion in the institutional interviews: one polytechnic and one university in each country. The Portuguese university became officially a foundation in 2009 and integrates a polytechnic. As such, it can be used to reflect two different types of governance models: before and after RJIES. The Finnish university is a public corporation. These institutions were chosen based on their size, functional type, year of establishment and regional location. Thus, the institutions chose are middle-size institutions, relatively similar in terms of number of students and staff, which provide comparable educational and training programmes.

The Finnish University is a typical of multi-disciplinary and medium-sized research university in Finland. It has a traditional organisational structure around seven faculties and ten departments. There are about 15,000 students and about 2700 permanent staff members in the university. It has a total income of 211 million euro.

The Finnish polytechnic defined its expertise areas in in 8 different fields of study, which are trained in its four units: the School of Business and Services Management, the School of Health and Social Studies, the School of Technology and the Teacher Education College. There are about 8500 students from over 70 countries. In November 2013, this polytechnic was awarded the first place out of 4500 HEIs in Erasmus excellence by the EC. It was granted the title of the most international HEI in Europe. This Finnish polytechnic (which also calls itself as *University of Applied Sciences*) works as limited company society (Ltd.) and operates in accordance with the Polytechnics Act and its own Administrative Regulations and Ordinances.

The Portuguese University is exceptional in its organisational structure: not following a traditional faculty arrangement, basic units are organised around university departments (16) and

polytechnic schools (4) in a matrix structure. The polytechnic is considerably smaller than the university, which explains fewer interviews from this subsystem. Departments have similar levels of scientific and pedagogical autonomy as classical faculties. However, with respect to administrative and financial issues, their autonomy is more restricted, being under university's central administration (Diogo and Brückmann 2015). There are about 14 400 students, plus circa 222 of foreign students, 984 Professors, and 692 non-academic staff. In average, this Portuguese university has 155 of its students studying abroad, mostly in Spain, Poland, Italy, Czech Republic, Brazil and United Kingdom.

The selection of these institutions to develop empirical work was information-oriented (Patton 2002), meaning this that they were chosen based on the researcher's expectations about their utility for the research object. Also pragmatic reasons led the choice of the institutions.

5.3 Period Studied and Scope of Analysis

Having the signature of the Sorbonne Declaration as a starting point of the research interest, other aspects needed to be taken into consideration to set the time frame of the study. Indeed, with respect to the implementation of the Bologna process, it is acknowledged that this happened at different speeds and with different priorities in each signatory country, according to its historical and social backgrounds, and therefore, according to the guidelines set by different governments. As Witte refers (2006) "A multi-national process does, of course, not begin on a tabula rasa in the nations analysed but builds on the respective institutional legacies and histories of debate" (2006: 106). Ultimately, the implementation process is determined in accordance with each nation-state's model of governance and the type of relationship the government maintains with HEIs. It is in fact interesting to observe that although the OECD and the EC reports present Portugal and Finland as exemplary countries in the implementation of the Bologna's guidelines, several studies and surveys carried at the institutional level show a less "successful" picture and highlight various difficulties and barriers in the implementation process. This political, cultural and historical mismatch is also responsible, in a similar way, by the fluctuation in the intensity in which both countries applied managerialist policies in their HE systems. Thus, by considering the influence of NPM framework in the governance changes of HEIs, the study could not be confined to the beginning of the period to be studied to the signature of the Sorbonne and Bologna Declarations. Furthermore, even if, hypothetically, NPM would be left outside this research, in terms of the period to be studied, one would always have to go back to 1988, when the *Magna Charta Universitatum* was signed, and therefore this also represents a time prior to the Bologna process.

In this way, and in order to ensure comparability and consistency when gathering the data, as well as to be as faithful as possible to the object of study, common dates were defined for the assessment of the dimensions to be analysed in both countries. In order to avoid being exaggeratedly rigid, the starting date of this study is located in the early 1980s and the end of it in 2014/beginning of 2015. However, if on one hand, due to pragmatic reasons, the last two decades will be devoted more attention, because the researcher considers this period as "sufficient enough" to provide with faithful and effective background of policy change and to assess some outcomes of current national and institutional reforms; on the other hand, there are events prior to this date which need to be mentioned once they are central for the understanding of the evolution and development of both HE systems. Examples are the 25th April of 1974 in Portugal, which marks the end of the dictatorship and consequently a new stage for the development of the HE sector in the country (creation of the polytechnic subsystem and of the particular and cooperative HE); and when Finland joined the EU in 1995, the establishment of the vocational system in the 1990s, etc.

The need to frame a historical and cultural perspective in this study goes much in hand with two important factors which need to be born in mind throughout the research process and which also relate with the scope of analysis. First, not all policy changes that took place during the period of analysis refer to, or aimed at changing institutional governance structures and decision-making procedures. Nevertheless, the points analysed in the dissertation, all of them (in a more direct or indirect way) relate to changes in external and internal governance.

The second aspect one needs to remember has already been widely discussed here, namely the fact that not all changes which happened in terms of institutional governance and management took place in the context of the NPM and the Bologna process; they rather should be understood beyond these frontiers. Indeed, this (methodological) tentative to theoretically and empirically separate or assess changes caused by the Bologna process or changes coming from other directions represents one of the main challenges of this study. And, again, this also explains why it is not possible to completely and accurately assess the impact and success of reforms in HE systems.

Thus, by analysing the research topic by layers, and during the first stage of the research process (pre-descriptive) it was assumed that, in general, European HE systems (and more specifically, the Finnish and Portuguese ones) underwent unprecedented changes in the period between 1980-2014. Thus, after explaining change at the system level, and external governance (R. Q. 1), the analysis narrowed to the institutional arena, namely changes in the way HEIs are steered (governing bodies and governance instruments; changes in the organisational structure), how these external pressures influence the way academic work is organised and how or whether working conditions are affected by these processes (R. Q. 2 and 3), while simultaneously analysing institutional responses to

governmental decisions. In sum, there is an underlying analysis to the international influence in institutional level governance.

5.4 Data Collection

Throughout this part the sources of data used will be described and explained how and why this typology of data collection was preferred.

Due to the nature of the object of study, the great majority of information comes from qualitative sources – primary, secondary and tertiary. As reported by Marginson and Mollis (2001: 23), qualitative case studies are better at identifying and producing diversity. In a smaller scale, quantitative data was also used, mainly gathered through international sources (OECD) and national ones (DGES; GPEARI), and through online databases and websites (e.g. the prosperity index website).

Literature review, document analysis and semi-structured interviews were the most important data sources during the research process. These three methods of data gathering complemented each other throughout the research process and were used at different time periods, although document analysis was often used in parallel with the data extracted from the interviews. The interest on the Bologna process dynamics emerged in early 2008, when the researcher was still attending the European Master Programme, but it was in the beginning of the Doctoral programme that the researcher started to collect information on the topic, i.e. from September 2009 from September 2014. Nevertheless, and as one might expect from an European master programme in HE, since the 2007 Fall, the researcher necessarily had to start to get familiar with different HE systems' dynamics, and got specifically interested in those changes advanced with the Bologna reform. This interest also stems from the fact that the researcher had completed a (four years) bachelor degree in the year before the formal implementation of the Bologna process in Portugal (2007), and therefore she has accompanied some of the discussions related with the theme, namely those involving the operationalisation of the binary structure of the system and the employability of Bologna graduates. Thus, while from November 2009 until quite recently (2014), the researcher tried to obtain as much knowledge as possible of both Portuguese and Finnish HE systems, she has simultaneously worked on the chapters devoted to the conceptual and theoretical framework and those related with Europeanisation and the Bologna process specificities. From December 2010 to July 2012 it was the time when interviews were conducted. Thus, it can be said that the comparison process started unconsciously and informally.

The rationale for using qualitative methodology lays on rational and pragmatic factors, such as the nature of the research topic (in this case, *exploratory* research) and its context, the kind of research

questions, the expertise and personality of the researcher and the researcher's time and budget (Blaikie 2000: 227). Moreover, although comparative studies on HE are multi-disciplinary, constituted by quantitative and qualitative methods, qualitative research aims at understanding: it answers primarily to *how* questions (*ibid*). This reinforces the use of the case study type of approach as explained by Yin (1994). Also, there are certain aspects, such as perceptions, values, thoughts and intentions that one can not measure with quantitative techniques, as Einstein would say: "not everything that can be counted counts, and not everything that counts can be counted" (n. d). Thus, the combination of the qualitative methods used here allows for data source triangulation and thereby it facilitates comparison of the several findings through the different sources. This is of particular utility considering the qualitative nature of our object of study, which allows for an overlap of qualitative analysis and data collection, and vice-versa. In this way, and according to the fundamental stages defined by Noah and Eckstein (1969), until now, the researcher has already identified the problem and formulated the research questions, the concepts and dimensions of study have been defined, the HE systems the researcher wants to analysed have already been selected and studied, and all the data collected was treated.

Nevertheless, the use of the case study approach as a method of inquiry is not consensual and it has been object of academic controversy in HE research (at least). In fact, there are several ways to approach case studies and multiple case studies, a fact that represents both a strength and a weakness (Yin 2003; Tight 2012). For example, Tight (2012) excludes the notion of case study as a methodological option in contemporary HE research. Among other reasons, Tight (2012) points to the lack of methodological clarity, fuzziness, scanty empirical evidence, etc. as main flaws of the case study approach.

This is also why I would like to reinforce the idea that what I call here as a case study approach mostly refers to the notion of information collection and treatment, in order to organise the data according to the cases – themes – to be researched. This means that the main priority and task is to produce a solid analysis and reflection of the questions posed here – more than entering into a discussion on the possible or hypothetical vulnerabilities and limitations of methodological approaches.

The following sections will be thus devoted to the steps that are missing, namely the data treatment and interpretation of the case studies. These consist of all the information one has about each case: documentary data, interviews, *observations,* impressions and statements of others about the case, and contextual information (Patton 2002).

5.4.1 Document Analysis and Literature Review

One of the most important data sources throughout the research process came through an extensive document analysis and literature review. This was indeed an indispensable stage of this inquiry, considering that it was necessary to gain further insights on the international and European contexts that grounded the Bologna declaration, as well as the contexts that paved for drafting national legislation on the legal framework of HEIs as a means to better analyse the implementation process and further consequences in the national HE systems. In turn, there was also need to get acknowledged with HE reforms and developments since the early 1980s. As such, and according to the classification provided by Blaikie (2000: 183-197) primary, secondary and tertiary data were gathered and analysed for the purpose of this study. Simultaneously, in order to make it easier for the organisation and classification of all the information gathered and consequently to access to it easily, the researcher has categorised it in two main and general groups: international and national. These general groups were subdivided into national groups: Portugal and Finland.

With respect to the document analysis, secondary and tertiary sources were gathered, and these were used, as mentioned before, "by stages". Thus, a multitude of published academic texts as well as policy-related studies approaching developments on HE since the early 1980s, and then, more specifically, studies related with the object of study were reviewed in order to understand the systems, aiming at analysing their organisation and evolution, the shape and weight of the state in HE policy formulation and how this influences governance procedures at the institutional level. A wide range of documents related with the Bologna process was also analysed. In fact, when it comes to the Bologna process, the complexity and quantity of documentation immediately increases. The international data analysed were, first of all, the documents that helped to clarify the origin and evolution of the Bologna process, as well as other reports and monitoring data on the process. More at the the European level, the range of data varies from since the Ministerial Meetings Communiqués, BFUG reports, international associations as the EUA, ENQA, EURASHE, European research centres studies, policy intention documents as *the Magna Charta Universitatum*; the Sorbonne and Bologna Declarations; the 2000 Lisbon Strategy data and strategic documents, all the two-years Communiqués, and all the EC reports and recommendations to achieve the Commission's agenda; etc. At the level of HEIs, national and international reports were collected as well as HEIs' strategic plans and statutes, and surveys and monitoring data on the process.

This analysis was also accompanied by an extensive study of the legislation of both HE systems, government white papers, position and consultation papers from different stakeholders (e.g. MCTES, SNESup, CRUP, CCISP, OKM, FINHEEC, CIMO, UNIFI, ARENE, etc.), national reports written by both international and national bodies, reports of national advisory bodies, official

documentation of parliamentary negotiations, institutional mission statements, and other formal stakeholder consultation documents. Some of this information was later complemented (and contrasted) with more quantitative and statistical data from the OECD, DGES, GPEARI, OKM, KOTA, CIMO, among other international and national bodies. In parallel, a *press dossier* was prepared where newspaper and media clippings and other information related with the topic considered interesting and enriching has been gathered. The press dossier was developed for personal use in order to keep the researcher always updated about the way social media, e.g. news, documentaries, etc., both in Portugal and in Finland treat and look at the HE sector, especially the reforms related to the Bologna Process and institutional governance and management changes in these countries (cf. Annex nr. 2).

Through the analysis of this data it was possible to reconstruct and track both Portuguese and Finnish policy processes and policy maker's initiatives with respect to their participation in the Bologna process and their position towards the latest legislative reforms; to analyse the evolution of their regulative frameworks and governance structures, as well as to understand the coordination mechanisms among all these policies. This, in turn, contributed to strengthen certain aspects of the theoretical framework while simultaneously diagnosing and opening the way to preferences and perceptions of the key actors interviewed of both HE systems, namely those operating at the system level.

All these data were later compared and supported by the semi-structured interviews and also by the personal experience obtained through the period spent in Finland (which all in all was 3 years) and the time and life as a Portuguese citizen living in Portugal. This provided the research with empirical evidence on implementation challenges, realities and expectations.

5.4.2 Interviews

Although the document analysis is extremely important and essential for a better understanding of the issues here at stake, this study would lack authenticity, validity and reliability if the researcher did not seek the perspectives of those who were behind the reforms, those who implemented and carried them, in sum, the key actors of both Portuguese and Finnish HE systems. As Pollitt (2003: 26) referred, it is determinant to listen "the voices of the practitioners", once these occasionally contrasted with official pronouncements, or other voices. As such, semi-structured interviews are our primary source of empirical data and therefore represent one of the most important sources of information for the dissertation.

Due to the nature of the research topic, and also bearing in mind the time available, semi-structured interviews were conducted, where a set of pre-defined questions (interview guideline)

were asked to all interviewees in order to best compare their views and ease the analysis of the interviews' content. Nonetheless, additional questions were raised during the course of the conversation, or some were skipped. The interview guideline was organised in two main groups of questions: the Bologna process and governance and management changes that followed from the RJIES and the New Universities Act. Thus, for the purpose of this study, and as can be seen in table 12, key actors at both the system and institutional levels were interviewed, allowing for a variety of perceptions, preferences and capabilities. In total, 61 interviews were carried out: 32 in Portugal and 29 in Finland.

Table 12: Interviewed Key Actors in both Portuguese and Finnish HE Systems and Institutions

System Level		Institutional Level					
		Type of Institution	Top Management	Middle Management	Academics / Lecturers	Technostructure (Administrative staff)	Total
Portugal	6	University	6	4	6	3	19
		Polytechnic	-	4	3	-	7
Total							32
Finland	6	University	4	5	3	4	16
		Polytechnic	1	3	3	-	7
Total							29
Total interviewees	12		11	16	15	7	**61**

These actors were chosen due to their roles and degree of involvement in the study object: the Bologna process and the University reforms driven by the *Yliopistolaki* 558/2009 and the Law 62/2007. At different stages, they lived *in loco* the evolution of their HE systems, the most challenging changes of the Bologna framework, the latest developments of the new legal framework for HEIs, etc. One considers them to be key actors (or *stakeholders*) because they are able to provide information on the way HEIs responded to the different legislation and on the consolidation of the reforms. Nevertheless, one should remember that what it is aimed to gather with interviews are actors' perceptions, which vary according to the role they have. As an example, ideas about the results achieved so far or about a hypothetical mismatch between objectives and outcomes might have different interpretations among interviewees. As Patton (2002) clarifies, "(...) the purpose of interviewing is to allow us to enter into the other person's perspective (...)", once the interviewer assumes that these perspectives are "(...) meaningful, knowable and able to be made explicit. Therefore, we interview to find out what is in and on someone else's mind, to gather their stories (...)" (*ibid*: 341), once the purpose of qualitative interviews is to capture complexities of the

interviewed individual perceptions and experiences (*ibid*: 348). And that it is why "(...) this openness distinguishes qualitative interviewing from the closed questionnaire or test used in quantitative studies" (*ibid*: 341).

The advantage of an interview guide (see interview guideline in Annex nr. 3) is that, as Patton (2002: 243) explains, it allows for a better time management once it sets priorities. In Portugal, the interviews were held in Portuguese, thus all the translations in this document are responsibility of the researcher. In Finland, as the researcher cannot speak Finnish fluently, the interviews were conducted in English.

In order to test the theoretical assumptions, to develop analytical focus (Yin 1994), and test the interview guideline, three pilot-interviews were carried out to three different institutional actors, belonging to different Portuguese HEIs (in December 2010). Because the pilot study interviews were integral to the development of the analysis, they have been included in the cross-case analysis of this study (Yin 1994). This pilot phase was also crucial to optimise the interview guideline by slightly changing and improving it. Some questions were removed; mostly open questions, in order to make the interview guideline shorter and more focused.

The interviewees are listed according to the respective country and within this, according to the level of action where they operate, system and/or institutional, and then according to the institution where they belong and according to their main position or role.

All interviewees were previously contacted by e-mail in order to easily manage the interviews' schedule and availability of the interviewees and to match it with the temporal and geographic availability of the researcher. System level interviewees were contacted firstly by the researcher's supervisors, and only up confirmation of their interest and their availability the interview was arranged with the researcher. Institutional level interviewees were directly contacted (by e-mail) by the researcher. They were chosen bearing in mind the aims of the research object, which means that they should have been working in a HEI for at least 10 years, or being familiarised with the HE context. It was decided that institutional level interviews needed to be carried out at different departments – e.g. physics, languages, engineering and social sciences – in the same countries with the objective of grasping different disciplinary fields realities, with different academic staff's ambitions and concerns, and diverse organisation of knowledge and science. As Välimaa et al. (2007) referred, (different) disciplinary cultures provided the basis for understanding and taking into account the cultural variety in academia. Only one interviewee (in Finland) asked for the interview guideline beforehand, although the main contents of the research were explicitly stated in the request email. After deciding on the disciplinary fields, and after the first interviews to top-management and middle management actors, the research used a technique of snowball type, i.e. already interviewed

actors were asked whether they could indicate academics/lecturers and other relevant people they consider that would be able to answer to similar questions. Interviewees were also asked whether there were any other topics that should have been approached or whether they wanted to suggest or criticise the study and the interview. This proved to be a very fruitful way of gathering *volunteers* for the interviewees.

The great majority of interviews in Portugal were carried out in a very formal and somehow official environment, somehow evidencing a *hierarchic* relationship between the interviewee and the interviewer. A more *relaxed* atmosphere was experienced when interviewing Finns. Cultural aspects may shed some light to these differences.

In addition to their countries, and the level of analysis (system "**S**"), institutional actors were classified according to their role and type of institution they work in (Table 13). The perceptions quoted alongside the following chapters (findings analysis and discussion and conclusions) aim at clarifying on the type of institution – University **(U)** / Polytechnic **(P)** – interviewees work, and on the main role they perform. The following identification is used throughout the text:

- Actors' countries: Finland **(F)**/Portugal **(P)**;
- Level of action: system **(s)**/institutional: Universities **(u)** /polytechnics **(p)**. Institutional actors were classified according to their role:
- Top-management actors **(Utm/Ptm)**: rectors, vice-rectors, pro-rectors, Polytechnics' presidents and external stakeholders in both subsystems;
- Middle Management actors **(Umm/Pmm)**: Deans; Heads of Departments and Polytechnic Schools;
- Academics (universities)/Polytechnics' Lecturers **(Ua/Pl),** and
- Administrative staff, also designated as (part of) the technostructure of the HEI **(Ut)**.

The numbers placed before the letters (which refer to the country and role of the interviewee) indicate different interviewees. Some actors may "accumulate" more than one role: for example, a top management actor who works in close cooperation with the Ministry and lectures at the university. These interviewees are identified with a *, however, only their main activity is explicit. In this way, a citation coded as "3FUmm" means that this is the perception of the third Finnish middle management interviewee, working in the university. The code "1Ps" stands for the first Portuguese system level actor interviewed.

All interviews were anonimised due to ethic questions. Most of interviewees in both countries immediately asked about this and only agreed on conceding an interview based on guarantees regarding anonymity. Thus, after the first complete transcriptions, interviews were then edited for

clarity, i.e. removal of redundancies and repetitions, hesitations and national/regional expressions. I called this, the "clean version" of interviews. In addition, all the names, places, gender, links and every reference that could identify an interviewee, the institution where he/she works, or any other information that would eliminate interviewees' anonymity, was removed.

Table 13 – Interviewees' *anatomy*

Finnish Interviews			Portuguese Interviews		
Women 13	**System Level**	**3**	**Women 10**	**System Level**	**0**
	Institutional Level	**TM roles**: 1 U **MM roles**: 5 (3U + 2P) **Academics:** 0 **Lecturers:** 1 **Technostructure:** 3		**Institutional Level**	**TM roles**: 1 U **MM roles**: 5 (3U + 2P) **Academics:** 2 **Lecturers:** 2 P **Technostructure:** 0
Men 16	**System Level**	3	**Men 22**	**System Level**	6
	Institutional Level	**TM roles**: 4 (3U + 1P) **MM roles**: 4 (2U + 2P) **Academics:** 4 U **Lecturers:** 1 P **Technostructure:** 0		**Institutional Level**	**TM roles:** 5 U **MM roles:** 3 (1U + 2P) **Academics:** 4 U **Lecturers:** 1 P **Technostructure:** 3

The universe of interviewees is quite diverse, and a simple look at its composition allows for some depictions already. First, a note should be included to refer that neither in Portugal nor in Finland it was possible to interview administrative staff, i.e. non-academic staff (technostructure) in polytechnics. In both countries, possible interviewees referred that they did not know much about the Bologna process or any other HE reform. As such, and due to their perceived *irrelevant* position in the institution, they felt they could not be of help in the research process. Some of the people contacted also referred that they started to work in the institution recently and therefore they did not feel comfortable to answer some questions or even to ask their *bosses* (top and middle management actors) for some time to participate in the interviews. In the researcher's viewpoint, this already denotes the nature of the type of institution and differentiates universities' and polytechnics' institutional mission.

Secondly, immediately one observes a gender (im)balance issue in this table. Finnish HE, at least through the numbers of these HEIs, reflects a higher gender balance among system level actors and the faculty than Portuguese HE. The most striking differences relate to top-management positions, either at the system and institutional levels. The number of Finnish women interviewed is higher in Finland than in Portugal, where more interviews were conducted, and 4 of them perform their jobs at the system level of action. The same roles are carried by men in Portugal. Curiously, at

the institutional level, the number of women in top and middle management positions is exactly the same both in universities and polytechnics. However, this should be read with attention, considering that the interviewees' sample is random and it was not investigated how gender balance works (or even if it exists) in both HE systems. Interesting is also the fact that the roles that 3 Portuguese man perform at the university technostructure are performed by woman in the Finnish university. Again, although this is the reality in the institutions where the interviewed actors work, this study does not have enough information to extrapolate this reality to all Portuguese and Finnish HEIs.

In average, interviews lasted around one hour, with exceptions exceeding up to one hour and a half or not more than 20 minutes. All of them were taped with previous actors' permission and the researcher took notes during the process. Immediately after the interviews the researcher took some notes of aspects (and even expressions, attitudes, e.g. some resistance to answer some questions, more or less enthusiasm with certain topic), consider(ed) relevant and clarifying as these also work as an additional source of information. All of the interviews were entirely transcribed in order to easily organise and categorise the answers and to access them whenever it was necessary, once these are the basis of actors' perceptions. Altogether interviewees to Finnish actors took 29 hours and 11 minutes and they correspond to 237 pages of transcriptions. Interviewees to Portuguese actors took roughly 29 hours and 310 pages, which makes a total of: 58 hours and 547 pages of transcriptions. The mismatch between the length of interviewees and the number of pages used to transcribe them may be attributed – besides cultural factors – to the fact that Portuguese interviewees talked faster as they were using their mother tongue.

As awkward as it may seem, after the three pilot interviews conducted in Portugal, the rest of interviews was carried out first in Finland and then in Portugal. This happened because the researcher was granted a Finnish scholarship from CIMO, from January 2011 to May of that same year. Thus, this first round of interviews provided me with some experience, helping me to confirm and/or rethinking key issues, assumptions, events, time frames, and actors in the respective policy processes aimed to be investigated. The second round of interviews had obviously to be easier to conduct, once I was already prepared for eventual reactions to certain questions, they were done in Portugal and conducted in my mother tongue. In the Fall 2012, I went back to Finland, allowing me to *corroborate* some perceptions as I was given the opportunity to (informally) talk with some of the prior interviewees about this study and its progress.

The fact that I conducted interviews first in Finland and right at the beginning of 2011 had some consequences and implications in important methodological and conceptual choices. After carrying the total of 61 the interviews, and as the research process evolved and the study object became more and more defined and narrow, it was clear that some decisions had to be taken in

terms of redefinition of research assumptions, research aims and data analysis. As mentioned earlier, and fortunately, there was enough data to provide the study with validity and accuracy. In this way, considering that the New Universities Act only applies to Finnish universities and not to polytechnics, as it happens in Portugal, and considering that the Portuguese university chosen integrates 4 polytechnic schools, it was decided to leave aside the comparison between both types of HEIs concerning the object of study – as initially planned and aimed at. Thus, although not completely, polytechnics' interviewees perceptions were neglected and the main focus lay on how Portuguese and Finnish universities reacted to policy changes. However, this decision does not withdraw validity to the research outcomes. It indeed made the research process more focused and clear, it continues to enlighten about the main purpose of the study. This is so because the polytechnics in Finland are quite recent and therefore they were born almost at the same time as the Bologna process and also because the New Universities Act does not apply to this type of subsystem.

Interesting is also the fact that, during the interview process to Finnish polytechnics' actors, the researcher was frequently reminded that "In Finland we don't use the term *polytechnic*; it is *Universities of Applied Sciences*, the old name is polytechnics, you should pay more attention to this" (1FPmm).

A final note to refer that neither "supranational actors" nor students were interviewed. However, during the interviews, in order to understand actors' perceptions on the involvement and importance of the European level on the governance and management of HE systems and institutions, national and institutional governance, the researcher approached the topic "relationship between the State, HEIs and the EU.

Initially, when the research project was drafted, it was intended to complete the empirical part of the study with direct observation in departments and faculties meetings as a means to understand the most significant changes in terms of work organisation, performance of the actors' roles and even to *assess* the degree of importance attributed to each topic mention.

As the name itself suggests, direct observation is a method based on visual observation, which directly appeals to the researcher's sense of observation. The main rationale for using this strategy lays on the idea that direct observation methods are the only methods of social research able to capture behaviours in the exact moment when they occur, without the mediation of any documents or witnesses (Quivy and Campenhoudt 2008), although it was not aimed at directly intervene in the reality observed. Through other types of methodology, and as Quivy and Campenhoudt (2008) referred, the situations and events' analysis is reconstituted based on actors' statements and ideas (e.g. interviews) and/or by the evidence left in documents by those who, directly or indirectly,

witnessed those events. The researcher also hoped to take advantage of one of the greatest benefits of the non-participant direct observation technique: spontaneity, once that the researcher apprehends situations and behaviours exactly in the moment they happen, without existing any interference of the observer.

Motivated by building a research methodology as complete as possible, it was hoped to apply this technique in the Languages and in the Physics departments of both universities. The rationale for choosing both these units lays on two important aspects: first, because they represent different disciplinary fields, with different ambitions for their development. Second, since the researcher does not speak fluent Finnish, and the main working language within these departments is English, it would be easier to understand the aspects discussed at the meeting's agendas. Although the language barrier would not be a problem in Portugal, the choice of similar departments would ease the comparison, namely the aspects to compare (observation camp) and eventually to allow for extrapolation of some findings. Nevertheless, it was not possible to apply this technique. At the end of each interview with an institutional actor, the interviewer asked if she could attend at least two meetings at the faculty and/or department level with the objective to complement and improve the research design of the study. Only two institutional actors (a Dean and an academic) were willing to talk with their peers to facilitate the process. However, after the interview, these same interviewees contacted the researcher to inform that their peers did not approve her presence in these meetings.

Although it was not possible to establish a comparison with respect to the findings obtained with direct observation, the researcher tried to apply this technique in Portugal, hoping that cultural and language barriers would not be a problem. Portuguese institutional actors behaved in a very similar way to their Finnish counterparts: they were not enthusiastic with the idea and they did not approve the observation of any meeting and/or departmental *reflexion* or *discussion moment*.

5.5 Content Analysis Categories

Qualitative analysis knows several varieties and processes, of which content analysis is probably one of the most used and applied in social sciences research, though it is not easy to define what is really meant by this technique. It usually refers to the analysis of texts, e.g. interview transcripts, diaries, or documents, rather than observation-based field notes (Patton 2002). In a similar view, Albarello et al. (1997: 157) define a "content" by something one can express in texts and speeches, namely the "sense", or, in other words, the "different ways of seeing things", the types and systems of perception.

The researcher chose to apply content analysis instead of discourse analysis because what we want to analyse are perceptions rather than subjectivity, interviews instead of media communications or news, and discourse analysis rests on the assumption that language does not represent reality, but it contributes to the construction of reality, and social reality in particular (Schreier 2013: 45). According to Schreier (2013), qualitative content analysis is a method for describing the meaning of qualitative material in a systematic way; suitable for data that one has collected her/himself. This is done by assigning successive parts of the data collected to the categories of the coding frame. "This frame is at the heart of the qualitative content analysis, and it covers all those meanings that feature in the description and interpretation of your material" (2013: 1). The fact that this study relies much on the perceptions collected with the interviews that were conducted by the researcher led to the choice of this technique. Table 14 summarises the fundamental differences between these two techniques: discourse analysis and content analysis.

As Margit Schreier (2013: 47) refers, content analysis, unlike discourse analysis, does not make any assumption about the nature of language, social reality, and how the two are related; at least it does not do so explicitly, an exercise that would not be useful for answering the research questions of this study.

Table 14 - Differences between discourse analysis and qualitative content analysis.

Discourse Analysis	Qualitative Content Analysis
- Based on constructivist assumptions - Descriptive or critical - Focus on processes - Analysis of what is and what is not there in the material	- No assumptions about reality or implicit realist assumptions - Typically descriptive - Focus on states - Analysis of what is there in the material

Source: Adapted from Schreier (2013: 47).

Content analysis consists in the separation of the idea of "content" from the idea of "text" or/and "discourse". As such, one of the competencies needed when doing this type of work is, as Patton (2002) highlights, the ability to recognise patterns or themes, i.e., to see patterns in seemingly random information. The process of searching for patterns or themes may be distinguished whether one is looking for patterns or themes, although there is no "hard-and-fast" distinction of these terms (2002: 23). According to the author, "The term *pattern* usually refers to a descriptive finding, (…) while a theme takes a more categorical or topical form" (*ibid*).

In this content analysis, the researcher predominantly tried to look at descriptive findings according to the issues aimed at analysing, therefore the search was for patterns and categories. In

parallel, it was aimed to analyse changes regarding the conceptualisation of a specific object of study, namely changes concerning modes of governance, working conditions, decision-making processes and power relationships, etc.

This type of methodology is thus related with inductive analysis, when findings emerge out of the data through the researcher's interactions with all the information gathered; a process which characterises qualitative analysis in the early stages. This process is also related with grounded theory (Glasser and Strauss 1967). As explained by Glasser and Strauss 1967, when the researcher becomes so immersed in the data – being *grounded* – so that embedded meanings and relationships can emerge, and the resulting analysis grows out of the groundedness. In fact, drawing on grounded theory teachings (Corbin and Strauss 1998), in depth field research was conducted in order to let "the data speak for itself'. Nevertheless, as the researcher moved forward in the research process, data analysis became more deductive, as the information is analysed according to an existing framework (Patton 2002). As a matter of fact, after patterns and/or categories have been identified through inductive analysis,

> "(…) the final, confirmatory stage of qualitative analysis may be deductive in testing and affirming the authenticity and appropriateness of the inductive content analysis, including carefully examining deviate cases or data that don't fit the categories developed" (Patton 2002: 453).

This also represents ne of the advantages of this type of methodology as remembered by Schreier (2013). As the research questions already specify the angle from which data will be observed, if other important aspects strike the researcher during the analysis, it is possible to change the coding frame and these aspects as well.

Interviews were fully transcribed (including actors' expressions and personal observations regarding the moment of the interview and the interviewee him/herself) right after the interview was done. Empirical data was then analysed through thematic coding with the help of qualitative data analysis software Atlas.ti 7. In practical terms, coding refers to the process of assigning categories, concepts, or "codes" to segments of information that are of interest to the research objectives (Atlas.ti 7 2014). From a methodological standpoint, codes can also be "key words" and they capture meaning in the data, once they are "used as classification devices at different levels of abstraction in order to create sets of related information units for the purpose of comparison" (2014: 17). In sum, codes classify an often large number of textual or other data units.

When the interviews were assigned to ATLAS.ti, only the "clean version" of the interviews was uploaded. By clean version I mean the documents created after the interviews' transcriptions, where only the interviewee words were registered, without repetitions, or any personal comments. This was so due two main reasons: first, we have systematically obtained and analysed data. Thus, since

the moment interviews were carried out, the content analysis has been done in parallel: main categories and themes had been identified and the research ground has been growing in complexity but also in clarification and definition. Thus, when the interviews were studied through ATLAS.ti 7, they had been already subjected to several readings, analyses. The second reason for this is that due to the amount of interviews and the richness of all the content, all this data assigned to the software made it slower, as well as the whole computer.

Based on the literature review, the theoretical framework, and the analysis of legal documents, three main dimensions of analysis were elaborated (Schreier 2012). Table 15 puts in perspective the final qualitative content analysis framework, which was obtained after an intense poll and mapping of all the themes that emerged from the interviews (see Annex nr. 4). As it was advised by Margit Schreier (2013) on applying qualitative content analysis, this list of the themes that *spoke out* from the interviews was important to filter and prioritise what were the topics that would be included in the final content analysis grid.

The dimensions of analysis created roughly correspond to the HE governance dimensions of Schimank and Lange (2009) explored in the theoretical part of this study. Indeed, the richness of the empirical data gathered all these elements, eventhough for the purpose of this research (and because choices had to be made), the focus is on the first four dimensions: State regulation, Stakeholder Guidance, Academic self-governance and Managerial Governance.

Table 15 - Conceptual and Data Driven Content Analysis Table

I DIMENSION: National Reforms within an International Perspective (*change at the system level*) - State Regulation
I Category: **Internationalisation at Home: implementing the Bologna Process in Portugal and in Finland**
Themes for Portugal and Finland
1. Context, processes and mechanisms of policy implementation of the Bologna Process in Portugal
2. Context, processes and mechanisms of policy implementation of the Bologna Process in Finland
II Category: **Reforming at Home: Implementing the RJIES in Portugal and the New Universities Act in Finland**
Themes for Portugal and Finland
1. Context, processes and mechanisms of policy implementation of the RJIES
2. Context, processes and mechanisms of policy implementation of the New Universities Act
II DIMENSION: Institutionalisation of NPM ideology and practice (*Change at the Institutional Level*) - Stakeholder Guidance, Academic and Managerial Governance: Internal Governance.
I Category: **Structures and Processes: Institutionalisation of NPM ideology and practice**
Themes Portugal and Finland

1. Transformations in the organisational structure – The Portuguese Case
   Public Foundations under Private Law
2. Transformations in the organisational structure – The Finnish Case
3. Changes in Portuguese Universities' Governance Model
   (Re)composition of Governing Bodies and Election procedures – The Portuguese Case
4. Changes in Finnish Universities' Governance Model
5. Academic Careers and Working Conditions
   The Finnish Case
   The Portuguese Case

III DIMENSION: Understanding and Conceptualising Change

I Category: Conceptualisation of Change

Themes Portugal and Finland

1. Significance attributed to the Bologna process and to the new legal framework for Portuguese and Finnish HEIs
2. Different Cultures + Same Roles = Different Perceptions?

Part III

Data Presentation and Comparative Analysis.

VI
National and Institutional Reforms

The third part of this work is devoted to analyse and discuss the data collected in order to answer to the research questions posed in the previous chapter and that guide the course of this research.

One should remember that this analysis of changes in Portuguese and Finnish HEIs assumes that in the last decade, these were strongly spurred by the Bologna process and legislative and governance reforms. In parallel, these HE dynamics are included in a broader scenario of change in the public administration sector, of which NPM is highlighted. In this way, and briefly put, the research sheds light on how global and international trends combined and embedded in national policy changes, affect(ed) both Portuguese and Finnish HE systems. This follows Bleiklie and Kogan's view (2006: 11) on policy change – as a result of international influences and national processes. In fact, this first dimension represents the amalgamation of several categories and underlies the whole research process. It focuses on the system level – the relationship between the state and HEIs, whereas the second dimension reflects action at the institutional level. The third dimension of analysis comprises actors' perceptions on change, namely how do they conceptualised it and how do they *measure* the degree of interference or/and impact of both processes in their HE system and HEI.

More specifically, this study clarifies on how change through these political processes is interpreted (i.e. how it is planned and implemented) by HEIs in both countries and why there have been similar reform processes in such different countries and HEIs. Additionally, it sheds light on the changes that have been happening at the institutional level in terms of governance and management practices.

The analysis and discussion of the data collected through the interviews is presented here as a *mapping process* to answer the main research questions. This process is structured around its main *guidance tools*, i.e. the three main dimensions of analysis: i) national reforms within a global/international landscape; ii) institutionalisation of NPM ideology and practice, which analyses changes in institutional governance and management, and in the academic career, and iii) understanding and conceptualising change. Throughout this chapter these dimensions are analysed at the level of individual categories and themes that structure the content analysis grid (Table 15).

I DIMENSION
National Reforms (with)in an International Landscape: Change at the System Level – State Regulation

The dimension related to the national reforms in both HE systems emerges from a set of categories and themes elaborated through several data sources, namely from literature review, the theoretical and conceptual frameworks and the empirical data obtained with the interviews. Being such a complex dimension, which encapsulates both latest and most significant reforms in both countries – the Bologna process and the RJIES/New Universities Act – the data is organised around three categories. Briefly put, through this analysis, light will be shed on the relationship between the state and HEIs in both countries, which actually is an aspect that pops up frequently and underlies all the categories of analysis.

1. Internationalisation at Home: implementing the Bologna Process in Portugal and in Finland

It was discussed earlier in this dissertation (chapter I) that concepts like *globalisation* and *Europeanisation* offer explanations for similarities of practices and reforms in HE systems. The action of international organisations such as the OECD was also reported as crucial for "(…) creating, legitimising or ignoring impetuses for national reforms" (Kauko and Diogo 2011: 118). In addition, it is argued that NPM ideology and practice was also disseminated by international organisations' agendas (e.g. OECD, EC, etc.), offering explanation for similarities in national HE policies. However, the processes of globalisation and Europeanisation tend to overlook the importance of local factors and actors (Santos 2004; Enders 2004; Pereyra 2008). Examples of these localisms are the economic contrast of both countries, historical and cultural specifics as well as structural characteristics of political-administrative systems, which may explain differences in policy design, implementation processes and national outcomes.

At the system level, Portugal and Finland are examples of countries that have embarked on changes supported by an international context which otherwise would be difficult (and even sluggish) to undertake. In fact, it is this capability to promote change or reorganise various HE systems, which sparked interest in studying the Bologna process, considered one of the most far-reaching reforms that has taken place in the history of the European University (Neave and Maassen 2007: 138-139). At the institutional level, the literature suggests a move from a model which blends traditional (collegial) norms and values with managerial elements, which can be seen by the increasing presence of external stakeholders in HEIs' governance bodies, the centralisation of decision-making processes,

professionalisation of management, emphasis on performance measurement and bibliometric indicators, etc. (Deem 2001; Carvalho and Santiago 2010; Magalhães et al. 2013; Diogo 2014).

In order to understand how such different countries implemented similar HE policies and the approaches used, it is necessary to understand the nature of the policy process (policy formulation and implementation). The analyses start with the Bologna process and then a similar analysis follows for the new legal frameworks for HEIs in both countries.

This category encompasses several themes once it addresses the whole political process (background for change, policy formulation and implementation) of the Bologna process in both countries, as well as its operationalisation. In this way, the analysis starts to focus on how this *reform* was organised and implemented at the system level. After being aware how actors perceived these dynamics, and the nature of the process, the analysis then focuses on the significance attributed to Bologna and how different attitudes towards the process impacted (differently) on the implementation and institutionalisation of the Bologna process at the institutional level.

1.1 Political organisation of the Bologna process in Portugal –Context, Processes and Mechanisms of Policy Implementation

Starting officially in the academic year of 2006/07, the implementation of the Bologna process in Portugal was, from the beginning, a long and controversial process. Since 1995 until November 2015 there have been nine different Ministers in charge of HE in Portugal, which may condition the way the system operates. Adjusting the legal framework to the Bologna declaration required a change of the Education System Act passed by Parliament, which defined the type and length of degrees each HEI could award (Veiga, Rosa and Amaral 2005: 95). This only happened in 2005 when a new government came into office (XVII Constitutional Government) with a clear parliamentary majority and was able to amend the law.

Law 49/2005 passed by the Parliament on the 30th of August introduced important changes in the Education System Act, allowing for the adoption of the Bologna organisational model composed of three cycles of studies and it emphasised the transition from a traditional teaching paradigm to a student-learning paradigm.

During the period before the passing of Law 49/2005 there were several public discussions concerning the interpretation and the implementation of the Bologna objectives by different stakeholders (e.g. DGES, people in charge of central administration bodies, CCISP, CRUP, SNESup, etc.). On the one hand, the government passed legislation to introduce the ECTS system and the compulsory use of the Diploma Supplement, and appointed specialised task forces to work on the implementation of the law (Veiga et al. 2005: 95). On the other hand, in the absence of legislation

or guidance from a superior level, Portuguese HEIs, aware of international trends and developments performed by their European counterparts that had already implemented the Bologna process, became quite desperate with the delays of governmental regulation. This was not a smooth process, a fact that was easily acknowledged by the great majority of the interviewees, including system level actors.

> "This happened without an appropriate involvement of institutions and individuals working within HE; it happened much from the outside to the inside. New laws, very strict guidelines were created and then institutions uncritically took those and did something (6Ps*).

A note should be included to mention that only public universities had the autonomy to do these initiatives. As a matter of fact, previously to the Bologna process, the Portuguese university of this case study initiated a curricular reform by internal initiative in 1998. It consisted of an exercise titled *Rethinking Curricula* where institutional actors from different disciplinary fields and with different roles gathered to think on how the university should be organised for the forthcoming changes, how one should be looking to HE, its governance and challenges. The process of internal renewal lasted about 4 years (up to 2002) and, due to its usefulness, it was considered the precursor or, in the words of one of its leaders, "a healthy anticipation of the current implementation of the Bologna process in this institution". Institutional actors, especially academics and administrative staff, shared these feelings.

> "We had already spent several years debating the competences' issue, what in fact students need when they finish a degree… So we had already done this reflection on what young people need to be employable, competitive, to live their working life after leaving the university" (4PUa).

Simultaneously, and although the *Rethinking the Curricula* project provided some leeway to introduce change at the system level, interviewees were also aware of the different types of imposition, i.e. the different sources and directions moving change:

> "In the case of this university, we had gone through somewhat similar experiences with what was called 'rethink the curricula' and therefore there was already the experience of thinking transversely the entire university and how to introduce changes in the training we provide. The university had already made those experiences, and I think this brought new dynamics, also as a result of previous ones. We already had what we've called the 'first common year' in which the bulk of training was uniform for sciences and engineering. And then we had this process of revising the curricula. The big difference is that the other 'projects' were completely internal but the Bologna process was an external pressure both in terms of timing, comparison with other universities, etc. (3PUt).

> "Implementing Bologna in the Portuguese system represents a reconstruction of HE in Portugal, but a restructuring which was not only dictated by our desires or according to what we thought" (5PUa).

> "The process had a very European beginning, then it became very much nationalised and then even very much localised because ultimately, and as it would be expectable, universities were the ones that implemented the process" (1PUa*).

It would be expected that such previous advancements in the curricular organisation and

institutional mission of the university would make it easier to implement a major reform like the Bologna process, or at least make it "less painful" to accommodate change in this university than in other institutions, once the staff was already aware of somehow similar processes. However, when the official implementation of Bologna arrived, it seems that

> "(…) all of that [previous institutional changes] was forgotten. We have here an excellent case of an university that did things in time, that had a Vice-Rector steering the process, that had the involvement of all departments and which had a decentralised structure and then, these things from the outside came to the institutions, and one made what we have now. And it's worth to check if what we have now is anything better than what we had before. So I don't think we have been sufficiently autonomous to say: 'this is what we have to do, so give us now some time for us to organise and see how we will do it here, and do it well!' No, what happened is that we picked up all those things and quickly implemented them (6Ps*).

These quotations seem to reveal that even before HEIs in Portugal being submitted to coercive pressures to implement Bologna, they have started the process on their own. This may be classified as normative isomorphism since academics were aware of the European discussions and trends. Therefore, the role of academics and other professionals within the academia from different HEISs ended up creating or accelerating developing (some) pressure and information for change that was not only imposed by the state, but also by professionals.

The implementation of the Bologna process in Portugal gained a new breath in March 2006, after the government passed the Decree-Law 74/2006 dated of 24th March, creating the necessary legal framework to adapt the old study programmes according to the Bologna degree structure. The government opened then a call for HEIs to submit their proposals adapting former degrees to the new degree structure. Around 1500 proposals were presented, which came as a surprise to the Ministry as it expected that only in exceptional cases, proposals would be submitted (Veiga and Amaral 2009). This is so because, although the *formal deadline* to implement the Bologna degree structure ended in the academic year of 2009/2010, the time stated in the legislation to adapt the old study degree structure to the new one was two weeks. An actor, operating at the system level, provides a summary of this process:

> "In Portugal things happened like this: a diploma was created to change the configuration of the study cycles and institutions - in a very short time – had to make the changes and register the study cycles according to what the law imposed (...). And institutions, in fact, did it very quickly. And it was a relatively ludicrous process because the diploma was published, giving a deadline to HEIs that ended before the legislation entered actually into force because everything had to be completed rapidly! (…) Of course this was made, assuming that HEIs had their homework done, and therefore this would be a mere formal aspect: deliver to the Ministry what was already done. And after this was done, in a very much Portuguese way, the Bologna process was done, period. Basically it was reduced to the reconfiguration of the courses and study cycles, and definitely the Bologna process is not this" (3Ps).

However, these different but parallel periods – the government open call stated in the DL 74/2006 to submit proposals and the formal deadline for implementing the new degree structure – created

an environment of tension and somehow contradictory opinions… This is, in fact, pointed as one of the most nonsense aspects in the way the process was executed and it was highly criticised by all interviewees, including some system level actors who even ridiculed the *fast speed* that the legislation *obliged* institutions to rearrange their degrees' structure. Nevertheless, it is also important to remember that these perceptions reflect interviewees' views, which are *naturally biased* by their role and also their political assumptions and preferences.

> "It was too hasty. Everything was publicly announced not even within a month time, so then everything had to be rushed. In the first 2 years, during the adaptation of the study cycles to the DL 74/2006, institutions didn't have time to organise. In some cases, they sent only the first page of the process because they knew that according to the administrative code, the DGES could not reject linearly the processes and there had to be a dialogue and time for hearing the stakeholders. So the processes could be completed in this phase. Yet, there were some restrictions in the law (…), things that were left for the A3ES [Quality Agency] to do later on. We were waiting for an Agency that came too late because, in practice, the Agency only started to work in 2010. So, there was a 4-years interregnum in which, even if the DGES would like to intervene, it couldn't do anything properly" (4Ps).

This is an example of a somehow contradictory view of the process. The interviewee refers that during 2 years, HEIs did not have the time to organise their proposals, which somehow confirms the previous interviewee (3Ps) who states that HEIs did not have their homework done and assumes that 2 years time is not enough for some institutional organisation... Then, it continues the discourse saying that although the degrees' adaptation process could not be totally rejected, even if it was incomplete, there was time to conclude it later on, although there were mechanisms in the law which could restrict the adaption process, while simultaneously states that the DGES could not intervene at all… Such *contradictory ideas* can also be explained by the temporal distance between the years that have passed since these events have happened and the time interviewees were conducted, i.e. interviewees' discourse is now somehow twisted.

However, national academics and administrative staff share similar views with respect to the first stage of the implementation process at the institutional level. These perceptions already take into account the previous curricular changes in the institution where actors work:

> "HEIs didn't have the time to organise aspects related with specific contents because there was a hellish bureaucracy. There was the need to answer to the DGES, which in turn didn't know how to handle this situation, as it was inundated with thousands of processes. There were so many programmes that there weren't enough evaluation committees or experts to analyse the processes, one only had time to check if the forms were completely filled. (…) There were preliminary preparatory documents and several meetings... The Ministry's auditions came with concrete things to discuss, and institutions feared much what was going to happen. (…) These problems [related to teachers' training, for example] were highly discussed because they were also very controversial, but it was an internal discussion. Each institution then solved things differently..." (5PUa).

> "There was in fact an imposition. Also because there was not much time for HEIs to adapt their courses. (…) Then the process became a race between institutions even if it wasn't an obligation, although institutions have chosen that route" (6PUa*).

> "The initial phase was very troubled because the entire legislative process and the adaptation deadline of the programmes was done under a lot of (time) pressure" (1PUt).

Thus, again, it can be seen that the common discourse is that *HEIs did not have enough time to organise themselves,* it is also acknowledged that *nothing* forced institutions to make the adaptation process in such a hurry. What happened is that they feared to lose competitive advantages if they would not follow the Ministry guidelines as soon as possible. Furthermore, as it will be perceived alongside this analysis, top management and middle management actors tend to be more critical about their own performance regarding this subject.

Another factor that helped to increase confusion and discomfort between the relationship of the government and HEIs was the fact that when the legislation was passed, the Ministry only approved the proposals that were in line with the patterns that it believed to be more appropriated. At the institutional level, as it was perceived during the interviews, this meant frustration, once institutions felt their efforts during the preparation time were not valued.

> "The process was absolutely top-down. It was coercive, bureaucratic and normative, although this is not necessarily bad. At the beginning, it only pretended to actually happen, but it didn't. I mean, we've changed everything: we've changed the study cycles, we've adapted the training and programmes according to ECTS, skills, etc., on paper all those things happened, but in reality they didn't, yet. In fact – and this is the downside of Bologna – the essence of the reform remains to be done" (4PUtm).

> "There was a lot of confusion. People didn't understand quite well what they should do, because despite all the literature and guidance documents, there were many regulations, information, but there was a lack of… ability to organise all this information in a useful manner by the people who could really take the reins of this process. There have been advances and setbacks for a long time. It was a very complex process. (...) I remember certain meetings about the reformulation of the courses that were rather grim. It wasn't smooth at all" (5PUa).

And this is also the general perception of system level actors, including the former head of CRUP:

> "After all the work institutions had in preparing the proposals to change the programmes, the Ministry only approved those which were in accordance with its patterns, according to its own judgment. If this was the purpose, it should have been agreed in advance, before launching institutions in this stressful and unnecessary process, which was totally inconclusive and a waste of time" (Ps 2009).

These findings confirm Veiga and Amaral (2009) conclusions on the fact that HEIs made an attempt at the fast implementation of the new system, considering that Bologna-followers would have an advantage over Bologna-laggards in the competition for students. Indeed, this situation impelled the researchers to admit the hypothesis that the implementation process "... corresponds to implementation 'in form' rather than 'in substance', thus softening tensions between the European and the national and local levels" (2009: 58). Curiously, and although the paths of both countries in implementing Bologna are different, Finnish system level actors admitted that, regarding the re-adaptation of the programmes, deeper and effective reflections and actions are needed:

> "Now it's maybe the most important development target are the curricula, especially from the point of view of learning outcomes and students' centred-learning, because most people think that we changed the curricula, developed and improved it and so on. But I think mostly, what we did, was writing it in a new way. There weren't actually real changes, and now I think we should look again at the curricula and also assessment of learning, I think" (5Fs*).

On the other hand, and as Portuguese interviewees also recognised, both at the system and institutional levels, despite the level of autonomy universities have, and the initiatives taken to not become the "Bologna laggards", there was a lack of institutional initiative compounded by fears and longings when it came to take action on the implementation process.

> "(…) universities, at least some of them, waited, as usual, for the central power to decide. But the central government takes a long time to decide, and, as there was an initial target for 2010, and also a government commitment, it is obvious that then, everything had to be done by all means… This means that there were decisions taken at the central government level and universities had to conform with those because they hadn't done the homework they should. In my opinion, universities should have worked together in order to have realistic proposals to present to the Ministry so that they would be seen as a coherent set" (2PUmm).

Assuming (Portuguese) HEIs as an institutional field, these data shows that there was a weakening of the institutional field, considering that there was not a concerted and organised position from HEIs. Interviewees had the feeling that universities were not able to organise their institutional field in a way that could be translated in a common and *useful* answer to this specific external pressure. In fact, one can raise the hypothesis that an increasing competitive environment turns the recognition of the field less clear, a situation that, in turn, represents an obstacle to the definition of political initiatives from the bottom to the top. Another possibility explaining this weakening of the institutional field and dependence of the government actions may be related with past experiences and with the previous knowledge academia professionals have concerning HE policy design and implementation, as most of them reported that their views were not taken into account. This hypothesis corroborates the fact that some academics even feel that there were no negotiations at all, and everything regarding the main topics on the Bologna agenda were already (pre)decided. For example, with respect to the length of the new study cycles, some interviewees feel that the debate whether the standard new model would be 3+2 or 4+1/2 was a "waste of time", once there were already enough "signs" pointing to the common main trend of 3+2.

> "I think the worst part was when the Ministry, and working groups, etc., insisted on constant discussions about whether the new degree model should be 3+2 or 4+1 or whatever! By that time the discussion was practically irrelevant, it didn't make sense anymore because it had already been stipulated the 3+2 in the majority of European countries! (...) The truth is that there is a part of Bologna that was rarely focused… Well, now one understands this better because of the crisis, which relates to the economic side, because if I want to increase mobility, I need a currency. So, faced with the economic crisis and unemployment, if I want people to leave the economic crisis and make them going from one place to another, I have to ensure mobility with more or less understandable mechanisms all over Europe, a system with simple references and which simultaneously gives information on the capabilities and skills of people. And this is the basis of

Bologna; it came with the Euro package and all these EU things!" (2PUa)

Interesting is that similar to Portuguese academics, some of Finnish interviewed academics and middle management actors gave similar answers about the lack of discussions and decision-making power at the level of basic units:

> "If there were negotiations at all, they happened at a very top-level, I mean between the government and universities' top management, particularly rectors, because below that, even with the unions, professors, disciplinary groups, it seems to me that nothing happened. I might be wrong, but I know that there weren't many negotiations, which means that this was a very top-down process. I have nothing against top-down processes as long as they are informed by a bottom-up flow. But when this bottom-up flow doesn't exist, it turns out to happen what we have now: an imposition that came from above and order us that 'from day x you must have a completely new philosophy in terms of the teaching-learning process, different evaluation structures, a new degree system, students have to get used to new methods, etc.' So this leads me to think that everything was done off the cut which means in terms of implementation, we are very far from the Bologna process goals" (1PUa*).

A similar perception is pointed by a Finnish academic with middle management functions:

> "I don't think there was much dialogue. As far as I can remember, I don't think I've been involved or our department has been involved in any kind of discussion about the process. (...) I think that like many reforms in Finland there is more a feeling of imposing the reform and not sort of engaging people in a dialogue, or if there is dialogue it is a kind of faced-value dialogue, like "ok, we basically made the decision already, but let us hear your views and ideas." (3FUmm).

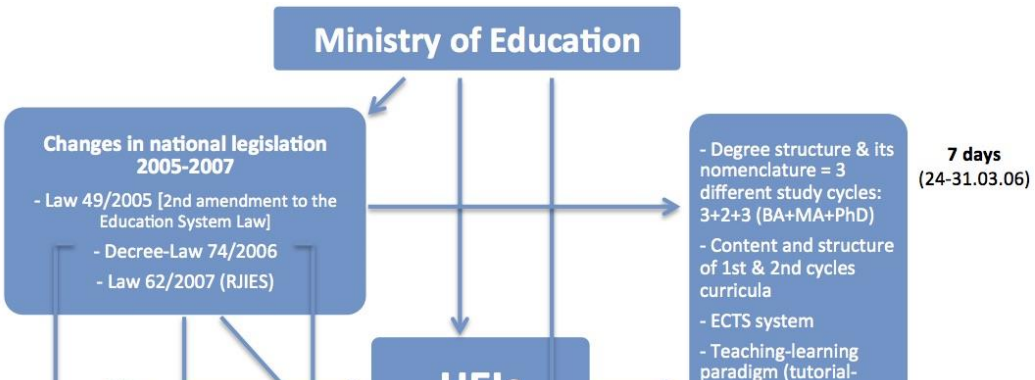
Thus, institutional interviewees melancholically mentioned that despite all the endeavours institutional staff developed towards the implementation of the Bologna process, it would have been beneficial to work more in collaboration with each other. In this way, some interviewees believed they would have been more powerful to negotiate and/or adjust their proposals with the Ministry's views. This reflection upon HEIs behaviour also explains the weakening of the institutional field mentioned above. Nevertheless, and reminding that perceptions vary according to the time frame when questions were asked and also according to the role interviewees have, since 2008, several developments had occurred in the Portuguese HE system, involving stakeholders such as professional orders and unions. Currently, even if some interviewees replied that there were no negotiations and/or debates, and that everything was discussed already when change came to be implemented at the institutional level, it is acknowledged that there were several trials of strengths about the length and organisation, and even the nomenclatures of the study cycles, such as Medicine, Dentistry, Veterinary Medicine, Law, Architecture and Pharmacy. For example, the length of the 1st cycle of a Law degree is 4 years (8 semesters) and comprises 240 ECTS. Thus, on the other hand, there were also some institutional level actors from both subsystems who recognised that although it was not an easy reform, there was room for public hearings and negotiations.

> "It wasn't easy at all. But I think there was an exchange of ideas. Yes, there was an exchange of ideas and hearings and proving that is the fact that actually for some courses, this [Bologna] was done quite easily, changing the old bachelors (*licenciaturas*) to courses of 3+2: bachelor + master. I

do think that there was that kind of deliberations at the national level because there are courses that due to their specificity, such as medicine and some engineering, a different framework had to be respected and I think that there was that kind of openness" (2PPmm).

In parallel with the discussions on the restructuration of the degree structure, as well as the other Bologna's objectives, and also due to the uncertainty climate regarding the question of the operationalisation of the binary system, one could observe from the polytechnic subsector attempts to redefine their academic functions, thus becoming more similar to universities. Indeed, as Amaral (2003) concluded from the results of a national public inquiry run for the MCTES, and after a number of seminars and meetings with the heads of HEIs and professors, it was even proposed that the distinguishing factors between the two subsystems should not exist. This distinction should rather be based on each institution's strategy and on its scientific and technological capacity. Thus, the dominant discourses proclaimed that both subsystems should be transformed into a single system. Within this unitary system, the distinguishing characteristics of HEIs would be their ability to provide training more focused on the transmission and creation of knowledge (regardless of its practical or theoretical character) or on their more vocational orientation. Nevertheless, when confronted with the hypothesis of breaking the current organisation of the system, this restructuration was seen as a mistake comparable to what happened in the 1970s, when the industrial and commercial schools were abolished (Gonçalves et al. 2003). Other suggestions on the length of studies and the type of degrees that HEIs could award were made, leading to the conclusion that it was difficult to reach consensus among all types of institutions with respect to the implementation of the Bologna system (Diogo 2009). Veiga and Amaral (2009: 57) explained that, at a time when considerable academic drift was perceived in the polytechnic subsystem, it was necessary to carefully analyse the compatibility of the binary system with the two-tier degree framework, because the binary structure was endangered. Nevertheless, as the authors refer, "(...) when the legislation was finally passed it became clear that the government had aimed to preserve, or even reinforce, the binary system. This Ministerial decision was strongly influenced by the 2005 OECD recommendations, which attested that the system should consolidate its binary nature. Figure 1 schematises the implementation of the Bologna process in Portugal, focusing on its political organisation.

Figure 1 - Political organisation of the implementation of the Bologna process in Portugal



Not only was the Bologna process used – at least until today – to strengthen the binary divide of the Portuguese HE system. At the institutional level, several examples of the instrumentalisation of the Bologna process were given by interviewees, namely by academics and middle management actors. For example, at the Languages Department, Bologna was used to "(…) restructure de department due to one main reasons: this department was among the first ones in Portugal to train teachers and providing this kind of diploma" (4PUmm). As such, the department *used* the debates on the degrees' reorganisation and their content, the discussions on the need to establish closer connections between the university and the civil society and the outside world to create new interdisciplinary programmes (e.g. Languages and Business Skills; Languages and Editorial Studies; Languages and Specialised Translation). In this way, the existence of a *trading currency* usually identified as the credit system is pointed as a facilitator of aspects such as mobility, transparency, organisation and building up of the curricula, and also of institutional and programmatic accreditation. Some academics and top-management actors expressed these views

> "I used to say that Bologna uses bricks of a certain format to facilitate the construction I want. By that time [implementation process] one debated whether the disciplines should have 5 or 4 ECTS or 7... No! It's not like this! The ECTS can be constructed according to what I want: I lecture these contents, I suggest the workloads that I believe to be suitable for what I lecture, and it's not the other way around! I can say that Bologna created a simple way of building things and I think there's a big advantage on that" (2PUa).

> "Without the ECTS system, accreditation and certification processes wouldn't be that easier, right?" (4PUtm*).

Moreover, the process was also *appropriated* by the professional associations/orders and academics who feared loosing *their* discipline or the prestige associated to it when translating students' workload

to ECTS. By other words, during the curricular organisation, it could be noticed a competition among academics which aimed at maintaining the traditional concepts of their disciplines in order to ensure the continuity of their jobs and to make the new Bologna bachelors similar to the old ones in order to facilitate adaptation. In parallel, one could also observe how professional associations represented the interests of their professions by adapting their statutes to maintain and/or upgrade the necessary requirements for the practice of different professions. Most professional associations in Portugal required a *licenciatura* degree, which used to last 4 or 5 years (before the implementation of the Bologna process) in order to have admission to the professional order and therefore be able to exercise the profession. To maintain the demand level prior to the Bologna process, these bodies had to reduce the requirements to access the association or to make amendments in their statutes, replacing the *licenciatura* degree by the master degree. As the great majority of professional bodies believed that the minimum requirements should be maintained, it was necessary to find a compromise between the old and the new models. This is why most of (liberal) professions require the master degree to access the professional association and consequently to practice the profession. Nevertheless, besides all the hastiness in which the process was *translated* at the institutional level, interviewees criticised other aspects where Bologna was (mis)used for national agendas, as for example, to introduce more unhealthy competition in the system and within and among HEIs worsening the working environment, the use (and abuse) of instruments to measure almost everything, as curricula comparability, students and faculty workload, as well as the (dis)*prestige* of certain disciplines in favour to others, etc.

1.2 Political organisation of the Bologna process in Finland – Context, Processes and Mechanisms of Policy Implementation

Based on interviewees' perceptions as well as on the literature review, the implementation of the Bologna process in Finland, although not always easy and/or uncomplicated, was still smoother than in Portugal. One of the possible reasons explaining this difference of experiences relates to cultural aspects of looking at political changes through a perspective of continuity and evolution rather than revolution (cf. chapter III). Another possible rationale relates to the previous reforms that the Finnish HE system has been through in the 1970s and 1990s (cf. chapter IV). In this way, although there have been important changes introduced with the Bologna process, generally speaking, its degree of novelty is not perceived as being particularly high as portrayed by the Portuguese respondents.

It is also a fact that both countries put different emphasis in the changes imposed by the Bologna process. For example, a central aspect of the 1999 Declaration that was (and still is) given

more attention in Portuguese HE than in the Finnish panorama was "(…) the transition from a passive education paradigm based on the acquisition of knowledge to a model based on the development of competences, both generic – instrumental, interpersonal and systemic – and specifically associated with the training area, where experimental and project components play an important role" (DL 74/2006: 2243). The emphasis placed in this aspect of the Declaration should be understood in the light of different national teaching and learning traditions, as well as differences in the profiles of Portuguese and Finnish students. Furthermore, as Välimaa et al. (2007: 48) refer, among the objectives stated in the Prague (2001) and in the Berlin (2003) Communiqués, only two of the original national policy concerns – the two-cycle system of degrees (including changing the structure and content of curricula) and the mobility of students – have remained on the national political agenda of the Bologna process. In turn, the idea of QA and assessment procedures as well as the development of evaluation practices have been in force in Finnish HE since the mid-1990s (Saarinen and Ala-Vähälä 2007), being revitalised after the Berlin Communiqué (Huusko 2006). In fact, a middle management actor (responsible for the implementation of the QA system in two different Finnish universities and who has not teaching duties) stated that at the beginning of the Bologna process, the QA system was not a priority and it was actually pushed aside for a while, coming up only few years later when universities realised that they *still* had that *task* to accomplish.

> "I think it [the QA system] wasn't very much connected to the Bologna process itself but it was something that had to be started because we had the national guidelines – that came from the European guidelines – to make QA. Although I have to say that when I started here to develop the QA framework, something had already been done before, but we were quite few at the beginning by that time. And (…) I had to ask them how strict they have been reading the Bologna process and whether they noticed that there was also a QA system to implement (…) In Finland, we have a large scope for the QA. It's not just education, it's wider, (…) it's not only Bologna, but something that develops all over the university: not only education, but also research, management, leadership, and this third task of innovation and interaction with society. So, it concerns to all this and with the process of auditing, checking the QA system, all these areas. And this is why in my opinion, the QA system it is not only connected with the Bologna process" (4FUmm).

This was also the perception of one system level actor.

> "One very interesting result was that the institutions don't connect the Bologna process and QA almost at all. We were very surprised because of course the most important fact behind this Finnish audit model is this Berlin Communiqué from 2003 and the Bologna Process, but in practical work, people don't connect the QA frameworks with the Bologna process (5Fs*).

Few references were given to the topic of quality, and actors tended to associate the focus on quality (improvement) more with one of the rationales behind the process of merging institutions than with the Bologna guidelines. As a mater of fact, initially, and such as it happened with most of the signatory countries of the Bologna declaration, the priority with the establishment of the process in Finland was the adoption of the new two-tier degree structure, as well as changing the content and

structure of the curricula. This way of prioritising the different aspects of the Bologna declaration, or, by other words, the weight assigned to the different objectives of the process, evidenced a stronger institutional field in Finnish HE system when compared to the Portuguese HE system. This fact is also explained by the way Finnish *politics* work, as analysed in chapter IV and as the data that will be presented here attest.

It is also important to remember that in Finland the adoption of the new degrees system has been facilitated by previous reforms in the system. Between 1994 and 1997, it was reintroduced a new degree structure to most of the university fields of study, based on two main cycles: a three-year 1st cycle university degree (*kandidaatin tutkinto*) – the lower academic degree, and a higher 2nd cycle university degree (*maisterin tutkinto*) – the higher academic degree, which takes another two years to complete after the lower academic (1st cycle) degree (Universities Act 645/1997). The revision of the degree programmes was made, based on evaluations carried out by universities and the Council for HE (Knutell, 2002). The aims of this revision were to reduce graduation times and make degrees broader, more flexible and internationally comparable (Eurydice 2000: 466-468; Knutell 2002).

It should be noticed that even before the implementation of the Bologna process, bachelor level degrees were not *valid* for the labour market, and the majority of students went directly to the master degree (FMEC 2013). As explained by Knutell (2002), due to the especial nature of the Finnish labour market, degree students in most fields of study pursue a master degree right after the bachelor. The master degree was (and still is) the minimum required degree to access to most professions in Finland, e.g. public sector positions (Knutell 2002; Sahlberg 2010). As a matter of fact, there are contradictory opinions regarding the usefulness of the bachelor degree as a *certificate* for the labour market. This divergence is connected, on the one hand, with the (lack of) employability of students having only a bachelor degree and, on the other hand, with the skills and expertise required (and expected) by the Finnish labour market and society (Knutell 2002; Välimaa et al. 2007; Sahlberg 2010). Easily put, possible explanations for the debate on the pertinence of the bachelor degree as the starting point for the working life relate to the increasing competition perceived by students who feel they should acquire the maximum possible skills in order to be better *equipped* to compete in the labour market. Additionally, as referred by some interviewees, it would not be normal or even desirable that, after having achieved a tradition in which most students reach a certain level of education (the master degree in the Finnish case), to retreat to the bachelor degree. As the system expands and becomes universal, it is expectable that the average level of education of a society moves forward instead of stepping back – as it was also declared in the Lisbon strategy. In this sense, except for the purely economic side, the Bologna model does not comply with the

Nordic model of HE. By other words, regardless of supranational policy, and international influences, the Finnish case shows nation-states' traditions and cultures have been more powerful or stronger in the development of HE policies. In parallel, or consequently, it was explained that, at the level of the basic units, training is still thought and organised with this tradition in mind, i.e. the bachelor degree is planned in continuation/alongside with the master degree.

> "I would say that they haven't fully achieved the two-tier degree system because when we enrol students, we still enrol them to pursue both the bachelor and the master degrees. And when I talk to the faculties, they are not even trying to make the bachelor degree an independent degree in the sense that it could be the final degree. They still don't see it in that way. The Ministry has recently started to talk about the possibility of making the bachelor degree as the final degree (…). Even in those countries where the vast majority of students have just got their bachelors, the portion of students who continue their studies to the master degree is enormous because the more universal HE becomes, the more important is for a larger number of students to get something more than the basic degree. (…) So the idea of suddenly saying, "the bachelor degree is quite sufficient, don't continue your studies, go home and start working", that is against what is really going on" (3FUtm).

> "What happens is that the bachelor and the master are somehow mixed up and when people are doing their bachelor they are already preparing or thinking and taking courses for their master and so on. In Physics, this bachelor degree has no value at all. If you go to the working market, this has no value, and people always have to do the master. (…) There's little value now in the bachelor, I'd say, no value" (1FUmm).

Interesting enough is that these opinions were quite consensual among all institutional level actors, namely those in favour of the Bologna process, i.e. top-management and middle management interviewees: "the 3+2 degree model did not fit well in areas where the former master degree was scheduled for 4 years, like in business and economics" (2FUtm). In turn, interviewed Deans, confessed to fear that master degrees will loose importance and meaning if bachelor degrees start to be appreciated/*valorised*. At the same time, they doubt whether the labour market will accept them:

> "One risk of giving such emphasis to the bachelor level is that we are a bit afraid that the master level will maybe lose its status, because we've always been regarded as a country which appreciates a longer and more comprehensive education. (…) We really appreciate real and qualified studies. A qualified profession must have longer studies, also the master level" (2FUmm).

These data show that even after some years have passed since the declaration was formally implemented in Finnish universities, bachelor degrees are still "worthless" in the labour market without a master degree, and Bologna did not change this reality. At least, the picture at the national level continues to be the same as it was before the declaration. In turn, the reality of Finnish polytechnics' degrees regarding this issue differs substantially from Finnish universities. Polytechnics' graduates tend to find a job after finishing their bachelor. Moreover, applicants to polytechnics master degrees' need to hold a bachelor followed by at least 3 years of relevant work experience (FMEC 2012).

> "But this is a problem for research universities. The bachelor programmes of universities of applied sciences are different, are very employable" (5Fs*).

The excessive graduation time to complete studies has been one of the traditional concerns of Finnish HE, particularly in universities (Välimaa et al. 2007: 46). It was believed that by reducing the length of degrees, students would easily complete their degrees and leave universities sooner. In fact, according to most of Finnish interviewees, this is a problem that "has been around forever" despite efforts to shorten the time for Finnish students to complete their studies. However, in practice this did not happen yet, which denotes one of the flaws in implementing the Bologna process in Finnish HE, as it did not encourage students to take (only) the bachelor degree, as interviewees referred: "So this has been one of the things that has been constantly under attack, but it hasn't really changed yet" (1Fs).

In addition to the prolongation of studies, other problems could be identified in Finnish HE, namely the high dropout rate from HE and the transition from HE to work. Dropping out of HE has been considered a problem both at the system and at the institutional levels (Välimaa et al. 2007: 46). The authors explain that this hinders social reproduction of society through education and increases competition for students amongst HEIs. Again, Bologna was seen as a tool that would help to decrease the number of dropouts because the chance of students receiving a HE degree would increase.

Another problem identified in Finland by the time of implementing Bologna was the need to optimise transition from HE to the world of work. The new two-tier degree structure would make it easier to move from HEIs to the working life (Jussi Välimaa, Hoffman, & Huusko, 2007). Again, this is an aspect interrelated with the prolongation of studies and with the employability of university students holding a bachelor degree "only". Finnish system level interviewees acknowledged that this problem is not solved yet, which might be due to the fact that

> "There is this tradition of having a masters degrees. Everybody has to have a master degree and it hasn't changed. And I don't think it depends only on the employers: it is such a stronger tradition that even the bachelors themselves don't believe they are employable in the society" (5Fs*).

It was also believed that the new degree structure, combined with the modularisation of studies and comparable degrees, would enhance the objectives of lifelong learning as well as increase mobility of Finnish students. Traditionally, the mobility among Finnish students has been lower when compared to other (32) countries (Eurodata 2006). Only recently, the number of Finnish students going abroad for a short-term mobility programme and/or for doing a whole degree has been increasing (Eurodata 2006; CIMO 2013). Based on the empirical data collected, is it possible to say that the main reason explaining low mobility of Finnish students relates to their age. Finnish students enter a HEI at an older age than their European colleagues and, as mentioned above, they tend to take a longer period to complete their studies. Many of them have already established emotional and professional relationships, making it harder to go abroad. As these patterns are

changing, mobility is increasing. However, other factors need to be taken into account when analysing this subject. The 2005 Eurostudent report refers that students of engineering are less likely to complete a study-related period abroad than students of humanities and arts disciplines (2005: 151). Factors as foreign language skills have also a strong influence on the international mobility of students, as well as supporting funding mechanisms and parents' educational background.

A note should be included to refer that not always the increase or decrease of mobility is connected to the Bologna process: since the medieval university, academics and students had been spending periods abroad. Some interviewees also pointed to the "Bologna prior context" which enabled exchange periods:

> "I don't think so, because the foreign students coming to our department are not the result of the Bologna process, it's the result of ERASMUS exchange, which already existed before Bologna. So I don't think Bologna has increased the number of students. We always had a relatively fair number of exchange students in our department but very few come here to do their whole degree" (3FUmm).

Thus, as the authors explain, faced with HEIs' resistance towards the idea of the Bologna process, i.e. in order to facilitate the implementation process, the FMEC promoted Bologna as the solution for the problems of the national HE system, thereby pacifying institutions' resistance. This initial step was necessary as Finnish academics and universities initially took a fairly negative view of Bologna, contrary to polytechnics, which took a positive stance on the process from the outset (OPM 2013). The following quotation of a system level interviewee illustrates the initial path of the Bologna process in Finland:

> "Well… the first reaction to the Bologna process was very negative here in Finland when the Ministry signed the Bologna declaration. So, at the Ministry, we thought that if this is the way HEIs, universities and polytechnics feel, then we do not insist, we will not go on implementing the Bologna reforms. But then the situation or the atmosphere within the HE community changed: universities said they want to be among the first ones in implementing the Bologna declaration, and this has happened quite quickly after signing the Bologna declaration" (2Fs).

Although there is some variation in the degree of enthusiasm to describe the acceptance of the Bologna process in the country, there is overall consensus among system level interviewees about the developments on this. By other words, despite initial negative reactions, there was a "positive evolution" with respect to the way Bologna was initially perceived and then accepted.

> "The [Bologna] process was so positive mainly when it comes to internationalisation, quality and mobility. I think these were the main points for the Finnish HE system" (4Fs*).

> "When it came to the implementation of the Bologna process, we saw many advantages. I think it was done in a very close cooperation with the universities. Universities could kind of jump in the process. I don't think there was any reluctance, at least regarding to the universities' leadership. At this stage, they welcomed very well the ideas of the Bologna process (…)" (6Fs*).

> "Finland has implemented all the Bologna things quite quickly and it has been willing to be in the first row of the European countries doing the Bologna thing" (1Fs).

It can be said that such positive views on the process are very likely to happen when they come from system level interviewees. Nevertheless, it should be noticed that when actors perform more than one role, being these either at different levels of action (e.g. system and institutional) or with different tasks (e.g. top-management and academic), their perceptions tend to be more critic and contain a mixture of positive and negative aspects. In fact, it was mentioned previously that somehow similar to Portuguese interviewed academics, some Finnish actors feel that mostly, at the first stage of the process, the reform happened only "on paper".

> "I think there as a certain lack of information, because there were rumours about certain things we were not sure about. There was definitely some lack of information, at least at the department level. I'm not sure who was supposed to inform us more about that. Should have been the Dean? I'm not sure about that but I think there was some lack of information" (1FUa*).

However, this view contrasts with other actors' perceptions, namely from middle-management representatives:

> "I think they gave us the first documents about all the stuff they got and introduced us the idea about what we should do. That was how our Rector made the decision that we should have our own working group at the university. One of the Professors of Applied Linguistics was the leader of the group and I was the secretary, and there were members from different departments of the university, there were students members of the student union, and there were about 10 people in that working group. We made all kind of little seminars, forwarded the information to the faculties and departments, and then we said what we should do and what kind of things we should prepare. It went by little steps. (…) Our Minister of Education was quite clear in all those documents and I think the departments and the faculties accept them quite easily. We were quite prepared for the reform, I can say that" (5FUmm).

At the institutional level, the perceptions reported by interviewees both at top and middle management positions, with rare exceptions, do not differ significantly from what system level interviewees mentioned about the organisation of the process, and/or even about the process itself.

> "I have the feeling that Finland wants to be the 'good student', sort to say; I mean, make these European programmes a reality, very quickly and before everyone else. I know that in some countries this process has been progressing much more slowly. In Italy I have doubts if this has ever started! But somehow we did it in a very short period of time, very quickly and very effective. It was organised very effectively by the Ministry and the universities also did it very quickly because the Ministry required that. So, all in all, it was done quickly and effectively and that was well done, I think" (1FUmm).

The difference in perceptions between Finnish and Portuguese actors about (the implementation of) the Bologna process is also related to the degree of change assigned to it. Generally speaking, the level of novelty – or the degree of change – induced in the Finnish HE system and Finnish HEIs was perceived lower and more positive than in the Portuguese HE system. This is the overall perception of the faculty staff, regardless their knowledge field.

> "The Bologna process was nothing really that new (…) for us, it was more or less formalised at the European level, but we already had some elements of it in our structure" (1FUtm).

> "What happened was that every Physics department in Finland has created their own version of the thing, but then we had a responsible person and we had a few meetings to see if we could get some ideas from each other, how could we compare. And what we have found out was that, especially when it comes to the major subjects, what we ended up with was very similar" (4FUa*).

It is interesting to see that both Finnish and Portuguese interviewees affiliated to Physics have very similar views and their perceptions on the (big) changes (or their lack) in the reorganisation of Physics' degrees, programmes curricular and are quite identical. This means, that the degree of novelty of the process also depends on the scientific field.

> "With respect to the *licenciaturas* I have some trouble saying that it was a big change. (…) The names are just different now: in the past it was called the bacharelato plus the *licenciatura* and now is the *licenciatura* [bachelor] and master. Whatever one calls it, the truth is that we didn't came up with great things… Besides, I've done my degrees years ago and things haven't changed much... (2PUa).

> "What underlined most conversations about the restructuring of the programmes was not so much the change on the transmission of knowledge. Rather, the idea was essentially how to preserve the volume of my supply with this change because otherwise I can have problems, considering that having fewer students means having fewer teachers, or to distribute less hours, so then I'll have major difficulties in justifying the current size of my unit" (3PUa*).

The "fast speed" described by interviewees regarding to the way the process was conducted by the Ministry goes in line with the literature review on the willingness of Finnish HEIs in implementing the ideas of the Bologna process and on the central role of the FMEC in this process:

> "In Finland, the Ministry has been in a very central position during this process. At least in the last 5 or 6 years of the Bologna process, the Minister of Education has been the most active actor of this process here in Finland" (4Fs*).

In 2002, Knutell referred that the development of the implementation process has been so fast that the 'opposition' has not been able to raise any critical comments, only perhaps to some individual issues. Such a straightforward and rigid steering of the process led the author to conclude that in Finland "(…) the Ministry of Education may be the only institution which has an overall picture of the development so far and the situation today as well as the measures or strategies to be adopted in the future" (*ibid*). Thus, with respect to the political organisation of the process and the relationship between the Ministry and HEIs, top and middle management interviewees confirm the data retrieved from the literature review. These actors summarised this interconnection between the FMEC and HEIs straightforwardly: "In short, supervised by the Ministry using a stick and carrot-mechanism on universities" (2FUtm). Ironically, or in a somewhat provocative tone, Knutell (2002) wonders whether Finns should be thankful "(…) that there is at least one institution knowing to which direction we are steering our boat and what is awaiting us?" (Knutell 2002).

The connection between Finnish HE and European HE was alive during the first momentum of the process (Välimaa et al. 2007: 47) and it was also visible during the interviews carried out in 2011.

The new degree structure was implemented in all study fields in August 2005 and divided the former master's level undergraduate degree programmes into separate bachelor's and master's degrees, i.e. the 1st cycle ending with the award of a bachelor degree that is supposed to be relevant to European labour markets, and the 2nd cycle consisting of masters degrees. There are two exceptions of this model: medicine and dentistry, which kept a one-tier structure[79] (Hörkkö 2004). The national credit allocation and accumulation system in universities was replaced by a system based on the principles of the ECTS, namely a comprehensive analysis of the syllabus. The introduction of the concept of a standardised study week in the 1970s as a unit to measure the hours that students need for their studies (Välimaa 2005) simplified the implementation of ECTS.

To sum up, the challenges of adapting the Bologna process into the Finnish HE reality were threefold: to make changes in national legislation, to change both the content and structure of curricula and to create national and institutional systems of accreditation (Välimaa et al. 2007: 48). This happens under the new HE and research policy in Finland (the national and regional innovation system) that goes in line with the internationalisation of Finnish HEIs and it is closely linked with the creation of the EHEA and the ERA (Aarrevaara and Hölttä 2007: 204).

With respect to the new degree structure, it is interesting to see that according to interviewees' perceptions, it seems that Bologna allowed reflections about the importance, content and purpose of the 1st cycle of studies. An analogous process could be evidenced in Portugal, as attested by the Portuguese university of this case study, where an exercise to reformulate the curricula and their content was carried out prior to the implementation of the Bologna process. However, purposes (and even impacts) were different for both countries, considering that as for the Finnish HE system and Finnish society, the universities' bachelor degree is considered "useless" or of little value without the master degree:

> "It was in the Bologna circles that we started to talk about the importance of the 1st cycle of studies and then emphasised the degrees and credits earned at all types of HEIs have the same value. The institutional profile and mission may be different, but for the students they have equal value and should be also valued in the labour market. So, it has brought to the Finnish discussion the notion that it shouldn't be so important where you have earned your credits because they are equal in value, no matter what is the mission of your institution" (4Fs).

This was confirmed by several academics that linked the traditional degree system with the lack of national and international mobility. As the great majority of institutional level answers confirmed, Finnish students still tend to spend many years at the university before entering the labour market.

[79] This one-tier structure includes the degree of licentiate (*lisensiaatti*), i.e. in order to exercise the profession one needs to have the *license* to do it. This *license* is a degree, which corresponds to 6 years of study (at least) and therefore it is above the master's degree because it requires more study time than the bachelor and master degrees together. It was an exception before the Bologna process (as Finnish students are required to have a master's degree to exercise the majority of professions) and it continued like this up to the present.

Once again, Bologna has not yet fulfilled this national purpose of reducing the prolongation of study times in Finnish universities.

At this stage, two important aspects should be remembered. One relates to the international and national context where the Bologna process (and later on the New Universities Act) was implemented. The second, interlinked with this background, refers to the way the process was nationally organised and implemented.

Finland joined the EU in 1995 and in 1999 had its first EU presidency, a fact that coincided with the signing of the pan-European Bologna Declaration. This proximity of events created a kind of *EU fever*, stimulating the Europeanization of Finnish HE. The expression "EU fever" is purposely used here with the intention of describing Finnish interviewees' enthusiastic discourse on the importance and idea(l)s of joining the EU for the country and more specifically, for the HE context. This enthusiasm, expressed by the great majority of Finnish actors should be framed alongside with the political past of the country as well as the importance of external politics for the sector. As system and institutional level interviewees described, these events created the perception that signing and implementing the Bologna agenda would be a step forward in confirming the Finnish presence in the EU:

> "This is the Finnish common way of doing things. As you know, we have been very eager in being the good students. At the beginning of the 1990s there was a big depression in Finland and after this change, Finland tried to enter the EU. It was not because of the EU, but there was a kind of connection, or at least in some basic ideas. So we think it was very important and we welcomed very well this Bologna process in Finland. (…) It confirmed our EU membership" (4Fs*).

> "Finland wanted to become a true member of the EU because of our political past. Bologna was also used as a tool to confirm our entrance and membership in the EU" (3FUtm).

> "I think in Finland they welcomed it, because most of the people, especially higher educated people were very eager to join the Bologna process and the EU and I believe that the attitude of HEIs and of the administration of HEIs was very positive" (1FPmm).

This data suggests that Finnish HEIs looked at the Bologna process as a way to reorganise their institutional field. In fact, this reorganisation of the Finnish institutional field was followed by the OKM educational policy of creating an internationally recognised high profile for HEIs (Pietilä 2014). Finnish HEIs are encouraged to pursue focus and differentiation strategies and to reallocate resources to achieve a high profile and differentiate activities to meet regional need (Kettunen 2015). This positioning strategy that followed the implementation of the Bologna process also shows that the process was seen and used as an opportunity for institutions to be framed by the supranational level also. By other words, the institutional field no longer operates exclusively at and for the institutional level, but is increasingly seen at (and by) the supranational level, with other actors and governance levels. And, as a matter of fact, this behaviour of using the Bologna process to reposition the institutional field does not differ much from Portuguese HEIs – at least the main

rationale for doing it: to enhance HEIs attractiveness at the international level and to improve their quality. This homogeneity of behaviour within the HE sector tends to be translated in the emphasis of research excellence, accelerated by national and institutional evaluations, benchmarking and funding schemes (Pietilä 2014, cf. chapter III).

Additionally, it should be noticed that this environment for change was spurred by the EC and its Communiqués, urging HEIs to *modernise* (e.g. European HEIs are lagging behind their American and Asian counterparts; pressures to increase links with society and cooperation with business and industries; the need to be more transparent and accountable to civil society; etc.). This was referred by some interviewees who acknowledged the *instrumentalisation* of the Bologna process for multiple purposes. When asked about the significance of the process – and how this has been evolving up to the present, it was clear that it works as a lever to promote change and as an instrument for Europeanization of HE:

> "The Bologna process was an instrument for the Europeanization of HE, so it's there, together with the Lisbon agenda that introduced the knowledge triangle and modernisation of European universities, and now there are similar processes in all European member states. (...) As the EU cannot force anything, Bologna was important to achieve a voluntary commitment among member states and initiate a climate of reform" (3Fs).

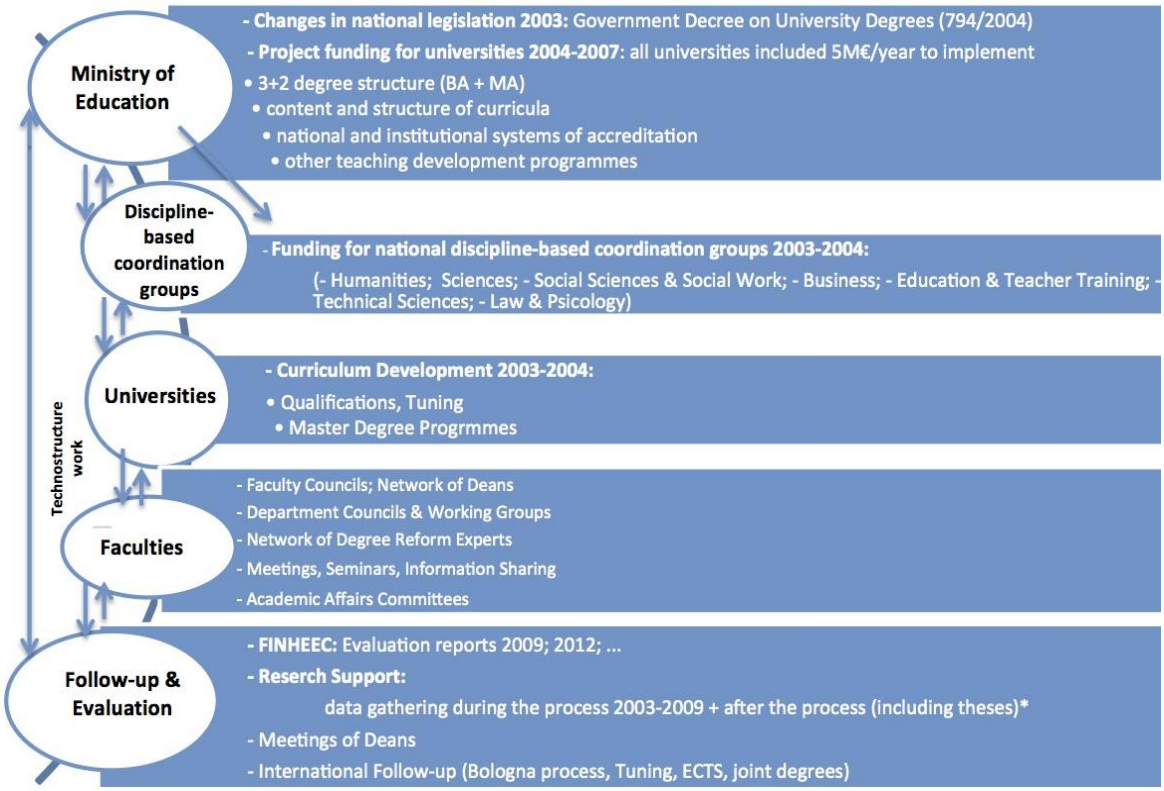
It seems thus that the European level served as a legitimisation source for implementing and accepting change at the national level. Nevertheless, other important events in the development of the Europeanisation journey of Finnish HE which seem to be forgotten by stakeholders were remembered:

> "Tuning projects were important, of course. And I think that the Tuning projects are not very well known in Finland; people don't know they have had a great influence in the Finnish HE system. I can see things that have come from the Tuning project, but there are still people who don't know where they came from. For instance the influence on general skills, it came from the Tuning project, there are things that they are not really new. And the emphasis we put today on general skills comes from there, for example" (5Fs*).

It is difficult to say with certainty which factors inspired Finnish politicians in the implementation process; whether it was this international environment or external influence that inspired Finnish politicians and main stakeholders to organise the implementation process differently. As mentioned in chapter IV, the traditional way of policy-making in Finland, i.e. the common approach to establish change in the system, is to associate the intended reform to a common national goal, which is implemented through experiments carried out in one or more institution of HE (e.g. the establishment of the polytechnic subsystem in the mid-1990s). All experiments are then supported by follow-up studies (Jussi Välimaa et al., 2007). Nevertheless, we believe that implementing Bologna required a new political design, perhaps due to its international character. Being a document signed by several countries, committed in achieving common

objectives, should not leave much room for experimentation (Diogo 2014a). Furthermore, the FMEC had already had a past experience in the 1970s of reformulating the degree system that did not grant the acceptance and/or sympathy from the academic community (cf. chapter V).

Figure 11 - Political organisation of the implementation of the Bologna process in Finland



Source: Adapted from OKM website (2015) | *Data gathering and evaluation methods[80]

Thus, bearing in mind the historical path of Finnish HE, it is easier to understand the process of policy design and implementation, either from the government's side, and/or from HEIs' viewpoint. A scheme of the implementation process of the Bologna declaration interlinking both the institutional and system level actors could be simplified as figure 11 shows.

Briefly put, the implementation of the Bologna process was based on three main methods: national committees nominated to prepare changes in legislation, national seminars on the Bologna process, and national coordination groups to make national curricula plans for each discipline (Välimaa et al. 2007: 48). One can say that the first two methods – national groups to prepare amendments in the legislation and national seminars about the process – did not differ much from

[80] Data gathering and evaluation methods consisted of: i) preliminary study on existing research material on the degree reform done by the Student Research Foundation – Otus; ii) survey on the implementation of the degree reforms where all universities (17) and polytechnics (25) participated; iii) field specific questionnaire (23 faculties and 28 selected fields of study in polytechnics); iv) 67 themed interviews; v) evaluation report published by FINHEEC publication series; vi) and international analysis done by a group of international experts appointed by FINHEEC.

the Portuguese procedures regarding the homologous situation. Nevertheless, it was this last approach, the national discipline-based coordination groups that made the national organisation of curricula for each discipline, which seems to have won public sympathy, at least, from system level actors and top-management respondents:

> "And then we developed, I think, a very good method of implementing the Bologna process concerning the degrees structure and the curricula development. We gave some extra funding for specific fields of academic groups. It was up to the universities themselves to make the Bologna reform happen and that was a very good process. So we always had a Dean responsible for the whole discipline in Finland, or by the whole disciplinary area, like Humanities, Medicine, Engineering, etc. There was this big group of people and they got some money from the Ministry and we laid some national rules or guideline for the implementation. But otherwise, they were very free to do what they saw best for their specific field" (2Fs).

Again, when contrasted to the academic degrees and curricula reform of the 1970s, when academics had no power in deciding on crucial aspects of the system and everybody resisted to this reform, the large majority of the respondents praised the FMEC for the original organisation of the implementation process:

> "But the most important, I think, it was the organisation of the implementation process with these coordination groups. We have a very strong tradition of using all kind of working groups in HE reforms, but in former reforms, the Ministry appointed the working groups. But this time, they only appointed the national coordinators, like me. The coordinators had very free hands, and the representatives of the Ministry didn't take part in the coordination at all. So it was a very wise decision from the Ministry. It was the first time that this kind of reform was organised in such a way. National coordinators had the money and the freedom to do what they thought it would be better for the system (…). We could feel that we're doing it by ourselves and for ourselves" (5Fs*).

> "I think it has been quite a smooth process, (…) looking back how to the decisions that have been made in our faculty, I don't see that big problems" (2FUmm).

With respect to this point, a main different feature between both countries refers to the financial resources assigned for the implementation process. Thus, whereas the "Finnish Ministry of Education has directed earmarked funding for nationwide field specific projects to facilitate the transfer to the new degree structure and promote universities' cooperation in implementing the reform" (Hörkkö 2004), Portuguese political coordinators, academics and administrative staff worked in a "voluntary" basis for the new organisation of the system. Some Portuguese system level interviewees also acknowledged this fact:

> "What didn't happen in Portugal that happened in Finland is that associated with it [more accountability and transparency] there was a financial envelope. The main difference is not so much in the processes, but rather in the fuel. I mean, I would say that what happened was that the tools to effectively introduce innovations did not exist. This is like having a very well equipped sailing boat but not much wind, isn't it?" (2Ps*).

> "Institutions try to answer even with budgetary constraints, but there are no miracles… so what happens is that the lack of funding makes it harder to achieve the desired objectives and achieve them with quality, with the quality that we think such a project can and should have" (2PPmm).

> "We also got some money from the Ministry, so for instance, I had a full time secretary for 2 years, an assistant, a full time worker who was coming from university management, so she knew this field and she was very effective and then I myself could decide how to collect the working group and how to organise the implementation" (5Fs*).

It is also interesting to notice that interviewees in both countries were consensual about the importance of the Bologna process for the polytechnic subsystem:

> "Polytechnics won with Bologna because they won the possibility of conferring Masters' degrees, they can confer Masters' diplomas. Therefore, polytechnics were re-qualified. The profile of an institution of HE is also defined by the type of degrees it can confer. And, with the Bologna process, polytechnics gained the possibility of creating and assign 2nd cycle programmes and confer Master diplomas" (6Ps*).

This is also the overall idea of most of institutional level interviewees, although this is a very sensitive question in the Portuguese HE panorama and it should be tackled more carefully.

In the Finnish case, this importance attributed to polytechnics is also spontaneously connected with the *EU fever*. The idea of belonging to the EU, combined with European trends, were crucial aspects for the creation and development of AMKs.

> "Everybody was so full of this idea [belonging to the EU], especially in HE. (…) By that time there was a very strong political support that we should have this kind of professional institutions [polytechnics] in Finland. Maybe the background was the depression in the beginning of the 1990s and of course this idea that we should have more and better innovation, new ideas" (4Fs*).

> "Polytechnics were building their recognition as a new institutional type of HE. The majority of polytechnics were created in the 1990s and by that time nobody understood them as institutions of HE. Now they have become more like universities and I think the Bologna process kind of integrated polytechnics in a joint European structure, with more opportunities to be recognised as HEIs, regarding their status. I think the Bologna process was more important for polytechnics and now they have the right to give degrees comparable to universities, bachelors and also master degrees that are also classified and recognised in a European setting, and this didn't happen before. So, I think Bologna gave to polytechnics even more new opportunities than it gave to universities" (6Fs*).

The implementation process of the Bologna declaration also enabled to perceive differences in institutions' internal dynamics and establish a correlation between their willingness to change, their leadership and governance models and the capacity of central administration to make decisions. Finnish interviewees referred that when universities are strongly centralised (e.g. the University of Helsinki), and although there were national coordinator groups for each study field, these institutions made "their own" implementation process. On the other end of the spectrum, when institutions have more loosely steering procedures, faculties and departments ended up following the coordination groups' recommendations. As such, different results among groups were pointed out: some went further in their reforms, looking at the process as windows of opportunity to enhance additional objectives besides those demanded by the Bologna declaration, but in other disciplinary fields, only minimum efforts were made. It was also referred that, some disciplinary

areas are easier to adapt (Physics) and rethink than others (Languages) – e.g. soft disciplines vs. hard disciplines.

Taking the implementation of the Bologna process as an example of HE policy design and implementation, it is possible to say that, although with different weight, the government still holds a central position allowing top-down implementation processes. In fact, the Bologna process itself allows for certain freedom of manoeuvre, i.e. freedom in interpreting and picking the most *useful* and/or important aspects for each HE system and institution. Additionally, this data also attests that policy design differs from policy formulation and implementation – at least at the national level (Ball 1998), and also at this level of analysis, "policy-making is a process of *bricolage*: a matter of borrowing and copying bits and bits of ideas from elsewhere" (Ball 1998: 126). In turn, this process of looking at the *neighbour* and applying those solutions, policies and/or practices that seem to be more successful not only contributes to increased convergence, but also to isomorphic patterns of action.

Simultaneously, this analysis also reveals some incapacity to mobilise the institutional field (composed by Finnish and Portuguese HEIs) due to an increasing competitive environment. Nevertheless, and despite international competition both at the national and institutional levels, there was room and opportunity for some initiatives based on professionals' acknowledgement and perceptions on what should be done in order to steer the process and maintain their disciplines and/or working place – the normative pillar based on survival strategies. The predominance of the normative *code* in the implementation of the Bologna process at the institutional level is also explained due to the incapability HEIs demonstrated (mainly Portuguese HEIs) to deal with such competitive environment in an autonomous way. As such, professionals followed the models and trends they thought to be the most appropriated for the environment where they work.

2. Reforming at Home: Implementing the RJIES in Portugal and the New Universities Act in Finland

2.1 Implementing the Law 62/2007 (RJIES) in Portugal

In analysing the implementation process of RJIES, both international and national contexts appear extremely interlinked in explaining change. It should be mentioned that the interviews were conducted in 2012 and several aspects need to be born in mind, namely an environment of deep economic crisis in which the country emerged and which created a propitious scenario for change[81].

[81] In 2011, Portugal received external economic support provided by three entities: the

In fact, it is not even possible to isolate the political and economic context of implementation from the law itself and its developments – a fact that was frequently mentioned by interviewees.

> "Both things [the law and the crisis] are inseparable, and therefore the interesting aspects that the law might have brought up, were cancelled by the crisis, because a number of issues that are there involve money (…)." (1PUmm*).

> "(…) the conclusions that we will end up to obtain, will be difficult, because we will not be able to separate them from the social problems linked eu pro the context of the financial crisis and unemployment" (4PUmm).

In this way, when analysing the political implementation of RJIES, its unfolding at the institutional level, as well as actors' perceptions on these themes, the national context of economic crisis is constantly underlying this analysis. It is challenging to assess how this process would have developed whether national circumstances had been different. By other words, assuming and sharing some interviewees' views on this subject, it is possible to say that such an environment speeded up change and/or its acceptance, as well as academic concerns.

> "It is obvious that during crisis moments, situations get complicated, but also opportunities for change are created. People in situations of need are more willing to change and that needs to be taken into account to do the necessary changes" (4Ps).

The Bill (Draft Law) announced the national reform as an unprecedented opportunity for HEIs, which would take place in parallel with the modernisation of knowledge societies (Government of Portugal 2007). Subsequently, and taking advantage of the reform environment that the Bologna process sponsored in the country, the new legal framework for HEIs was approved, entering officially into force in 2008. It should be remembered that contrary to RJIES, the last legal framework of similar nature was adopted unanimously in 1988 (University Autonomy Law). Law 62/2007 establishes then the new legal framework of HEIs, specifically governing their constitution, attributions and organisation, the duties of their various bodies, institutional autonomy and the supervision powers of the State (Law 62/2007). Among the governance and statutory changes enacted by the Law, universities were given the choice to either remain public institutes or to become a public foundation operating under private law.

Such as it happened in the past with the support of the WB in the development and expansion of the national HE system, the new legal framework for HEIs (Law 62/2007) was also inspired by OECD's "instructions" and its neoliberal agenda (Amaral and Neave 2009b). Also other international organisations were consulted such as ENQA. System level interviewees as well as actors with management positions (rectors, heads of departments, some academics) acknowledged the direct influence of OECD in the developments of the Portuguese HE system, who mentioned

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European Financial Stabilisation Mechanism (EFSM), the Security Financial Stabilisation Fund (SFSF) and the International Monetary Fund (IMF).

to the organisation's reports as a legitimisation source for reforms, referring not only or specifically to the RJIES:

> "Here in Portugal is evident that there is a direct influence when Portugal makes changes based on studies of committees and/or groups of organisations such as the OECD. (…) We have a great tradition in Portugal to make educational changes based on OECD studies, so it's nothing new. It doesn't mean that alongside with those studies, we don't have documents and national contributions too. But when one has to make and legitimate changes, those that appear in the table for reference and discussion are the others, and this is very common here…In fact, the latest changes we made are much based on the OECD report" (6Ps*).

> "Almost all the reforms of the former Portuguese HE Minister are dictated by OECD studies" (1PUtm).

Some interviewees, and very specific ones, acknowledged the role of the OECD in the national educational system. As earlier mentioned (chapter IV), the importance of the OECD was decisive to break the insulation of Portugal by requiring regular detailed reports on the national economic and educational situation, which brutally showed how far Portugal was from other countries (Teodoro 2000: 54). However, the normative framework within which OECD operates, mainly economic driven in its nature, combined with a managerialist government, led to the elaboration of a law which, in the opinion of the opposition parties, will disaggregate the public HE system while simultaneously privatising it, regardless the type of government in power.

Being the exception rather than the rule in the landscape of European universities, the foundational model of governance for HEIs, as well as other changes in HEIs' governance are pointed as clear examples of the OECD influence, as proposed by the organisation in the 2006 report, requested by the government at that time. In this way, interviewees referred to this *compliance* and even subversion to the financial system and compared the economical interest in implementing RJIES with the Bologna process:

> "In order to save resources, the objectives of the Bologna process were twisted. And such as it happened with Bologna, the rules that dictated RJIES were purely economist" (4PPmm).

It was argued, and visible during the interviews that the RJIES was an outcome of different wishes of two strong forces: the government, namely the previous Minister of HE, and (some) institutional leaders. Most of interviewees, both in universities and polytechnics, mentioned to this duality of interests, i.e. these two poles of actors, in changing the system. Interesting is the fact that more than one decade ago, Amaral (2003a) organised a survey – requested by the government, *Consolidation of HE's Legislation: An Appraisal and Revision*. In 2012, these quotations (still) validate and reinforce the findings of this survey, where academics supported a more efficient governance model, and students views were more conservative, in favour of collegialism.

> "There was already a concern in civil society to change the way universities were managed (…) but there was a political will and the former HE minister had a key role in this, because then the process was politically imposed. It wasn't possible otherwise" (2Ps*).

> "The perception I have is that the RJIES really reflects some need for change by some institutional leaders" (2PPl).

On one hand, HEIs felt the need to have greater autonomy to manage their educational and scientific tasks more effectively and/or at least in a less bureaucratic way - a need that became mandatory and obvious during the unfolding of the Bologna process; and, on the other pole, the government aspired to cut on public expenditure and by decentralising it aimed (and still does) at *steering at distance*.

Frequently interviewees, regardless of their role or type of HEI, referred to the role and charisma of the previous Minister of HE as central for the *success* in implementing the reform, which was imposed:

> "The RJIES was clearly imposed by the Government, it was top-down without any doubt. It was the Government! In fact, I can even tell you this more specifically: it was clearly the Minister Mariano Gago, for better or worse" (2PUtm*).

> "The RJIES itself, and I think that is something noticeable in most of the activity of the Minister Mariano Gago, he had certain ideas and tried to implement them (…). But the initiative came from outside the institutions, definitely" (3PUt).

Nevertheless, it is worth mentioning that the *merit* of the reform is not only due to the former Minster of HE; his initiative was also based and supported on pressures from external organisations. In fact, what one could observe was a coercive isomorphism from international organisations to national HEIs. In sum, in a competitive arena, stronger institutions try to control or overpower smaller institutions to pass their ideology and objectives. And, again, because national institutions were also aware of international trends, and faced with such pressures, did not want to lag behind. In addition to the OECD credo of producing human capital for the global labour market, discourses spread by the EC and its Communiqués urging HEIs to *modernise* and change their governance structures and management procedures, provided legitimacy for reform. As such, most Portuguese interviewees look at these external pressures as leverage for drafting more *entrepreneurial* legislation, which does not need to be necessarily bad considering the challenges HEIs currently face, e.g. the progressive complexity arising from an increasingly diversified population attending HE, the increasing internationalisation of the sector, the need to ensure teaching and research quality assurance mechanisms, etc. In turn, while all these changes demand more and better qualified resources, the civil society also started to pay more attention to what HEIs do and to the way they use these resources, namely whether these are efficiently used and/or these could be reduced. This increasing environment of lack of trust in HEIs, or *questioning environment,* as some interviewees called it, seems to be, in the actors' mind, the main rationale for change:

> "This created a kind of *questioning environment* around HEIs: whether they are being well governed and managed, whether the resources are being well use. This, in my opinion, was more important for change things than the Bologna process" (6Ps*).

Towards this background, and although interviewees acknowledged there was a propitious environment for change to happen, traditionally, the implementation of HE policies in Portugal happens mainly through top-down processes and legislation tends to be (coercively) imposed to HEIs. As it can be understood by the aforementioned citations on the critical role of the previous Minister of HE in implementing change, the RJIES was imposed to HEIs, although both institutional leaders and faculty members acknowledged the need for change. Nevertheless, or because of that, it was a *smooth* imposition process due to several aspects, of which we highlight: i) a parliamentary majority held by the socialist party by that time, ii) the external support provided by the OECD suggestions and recommendations, as well as the EC discourses on HEIs' modernisation iii) and also due to general perceived need and will to change the national HE panorama and HEIs *modus operandi*.

Bearing this in mind, one can say that despite the crisis, change was not (at least, not only) promoted by HEIs attempts to be more efficient and/or to be outstanding. In this context, the main drivers for change were international organisations that were able to exert coercive pressures to Portuguese HEIs to change and to *moderniser* according to these organisations' guidelines and standards.

All interviewees, regardless of their (current and previous) roles, were consensual about the way RJIES was implemented and with the fact that the legislation is, in fact, a rupture with the past.

> "The RJIES is external to HEIs: there was a political will to change combined with circumstances that allowed for this to happen and obviously, with some art, to get the political support needed to make it happen. (…) The new legal framework was only possible because there were circumstances that allowed that, namely an absolute majority. Without that, it wouldn't be possible to reach such an evolution. This rupture with the past was, of course, also based on international opinions that supported the international movement of what was considered politically correct (...)" (4Ps).

The RJIES was then adopted despite pressure to amend it - all opposition parties voted against it and the disapproval of the National Council of Education (CNE), the faculty (professors) and staff unions, as well as student organisations and HEIs. The final law (which curiously was enacted in August, when most people in Portugal are on Summer holidays…), consisting of 185 articles, was only passed by the Assembly of the Republic (the Parliament) after 74 amendments, and all authored by socialist deputies (although the other parties had presented 238 amendments)[82]. The former Minister of HE denied that these changes have distorted the fundamental principles of the new legal framework for HEIs. According to him, the changes resulted from the interest in listening all

[82] Also the voice of students was not taken into account. The 2007 President of the Academic Association of the University of Lisbon, Tiago Pardal, referred that the Parliamentary Commission received 700 proposals from students, which were not considered for discussion. In addition, it was reported that in students' opinion, Portuguese HEIs were quite passive towards the RJIES and the discussions were restricted to few people.

partners and create all the necessary conditions so that RJIES would not be a reform only in paper, but that it would actually happen and it would be implemented quickly. As such, the Minister said the government welcomed all the suggestions that seemed useful (LUSA 2007). This also explains the "smooth" acceptance and imposition of the law… In fact, both public and private sectors' representatives, universities and polytechnics, were listened by the Ministry. Even if not all claims and wishes of CRUP, CCISP and APESP were covered by the legislation, these interviewees referred that there was some dialogue between the Ministry and the representatives of both HE subsystems and sectors - a vision that is contrary to academics' perceptions.

> "We've always been heard. It doesn't mean that what we have said has been accepted, but at least, the conversation existed" (3Ps).

Vs.

> "The former Minister listened to those he thought he had to listen and I think the RJIES was imposed because the model that was presented, was almost ready. It was like this: 'here it is the model and we are available for some cosmetic operations, but the essential is here and it's not going to change'" (3PUa*).

In fact, it is somehow striking to compare the perceptions of some system level actors in 2012/2013 (when the interviews were carried out), with data from the literature review done prior to these years and right after the RJIES entered into force. Initially, and as already mentioned, all opposition parties and stakeholders voted against the RJIES and expressed publicly their discontent with it. An exception, however, could be noted from the vocational subsystem, which showed more appreciation towards the new legislation and towards the way the process developed.

> "The polytechnic subsystem was, globally, in favour. I can tell you we were listened and the CCISP provided some contributions to RJIES. (…) Overall, I think RJIES is ok and, apart for some exceptional cases, I do not see urgent need to change it. (…) There are two moments in recent years that I find extremely important for the polytechnic subsystem: one is the RJIES and the other one is the teaching profession career statute because not only these processes deepened each subsystem's different missions, but they also provided the same dignity for them and this was crucial" (1Ps).

This position can be understood when one bears in mind that in terms of institutional autonomy - and social status, the polytechnic subsystem was in disadvantageous position when compared to the university subsystem.

It was also interesting/curious to see that some system level actors and top-management interviewees expressed their contentment with the first version of the law, regretting the fact that there was not enough courage to move the initial proposal further.

> "If the initial project had gone forward, it would have taken more into account a greater participation of the external society in HEIs' management bodies. But then, there were some vested interests, so to speak, and the law became what it is, and in my opinion this was what was possible to do from the political point of view" (4Ps).

These feelings were especially notorious from those actors who consider that the system really need(ed)s to change, namely by opening it more to society, and to make it more efficient and transparent. These were mostly the viewpoints of system level actors and external members of the university General Council (GC)[83]. In parallel, it was also perceptible that it is not possible to separate cultural factors from the way political processes are designed and implemented. Thus, some of the criticisms to the legislation and to the way RJIES has unfolded are mainly and foremost critics to national politicians and to the lack of perspectives the country presents. In fact, a common critic expressed by interviewees refers to the lack of policies and action in defining what kind of country Portugal should be and what type of society the country aims at being.

> "We've been discussing the same problems for years and years and no one has courage, employers, trade unions, political parties, the Head of State, to stand up and say: 'My dear friends, let's make a deal: what kind of society do we want?' And then we would develop a strategy to develop this society, but no one has courage…" (3PUtm*).

Nevertheless, not all top-management actors tended to agree with the Draft Bill of RJIES. Universities' rectors as well as middle management actors and academics were strongly against the law as they considered it hazardous. Among the reasons pointed for this disagreement stand out changes in HEIs governance bodies, in the way institutional leaders are elected and in the redefinition of their powers and duties, as well as changes in the funding dynamics and human resources management. A common example was provided by a top-management interviewee and other institutional level actors who mentioned the *radical* idea of the previous HE Minister of *dismissing* all universities' rectors and polytechnics' presidents as soon as the RJIES entered into force.

> "I know what was in the Minister's head, a person (…) who thinks that universities do not reform themselves, and therefore he typically imposed these changes. He actually imposed this with a growing financial asphyxiation to universities so that universities could not get too cranky about it. Yes! The RJIES was enforced, although it was changed before that (...). It had to! The first formulation of RJIES [*Bill*] said that all Rectors and Polytechnics' Presidents would topple[84]. Imagine this! It would be absolutely crazy to manage a HE system where everyone would topple!

[83] Although the GC only existed after the new internal statutes were implemented, these views were extracted from interview data, which was conducted after the new governance model being enforced.

[84] The Bill initially anticipated that as soon as the RJIES entered into force there should be elections, i.e. new Rectors and Polytechnics' Presidents were appointed by the GC members. However, an amendment approved by the socialist party allowed their election by secret ballot by the GC and the head of the GC has to be now someone external to the University and not the Rector. The Law passed by Parliament did not allow Rectors to topple… In fact, the Rectors who were in office prepared the whole process of RJIES, and elections came only after the law was in force and only when it was due time for that (i.e. the 4 years period of Rector's mandate finished). For example, the Portuguese university of this study elected a different Rector than the one who was in power (the previous Rector did not apply again for a new mandate) and all the candidates were applying to the Rector position for the first time. (S)election procedures will be analysed in the section devoted to changes in institutional governance.

> This shows quite well the Minister's thoughts... There would be no interlocutors! I think it's bad and a chaos to have a system where everyone changes at the same time! So this was one of the things that changed and that I fought much for that to happen" (1PUtm).

Thus, whether on one hand system level actors and top-management interviewees tended to praise the first version of RJIES due to its boldness in *imposing* a whole new thinking of institutional governance, on the other hand, some top-management actors (namely Rectors) felt quite apprehensive and worried with the first Draft proposal of the Law. Not only would this oust all institutional leaders, with no apparent and stated advantage/positive outcomes, as it would also worsen the institutional environment during the changes period, creating uncertainty and leaving a gap in institutions' top-management. Additionally, it is possible to say that Rectors could feel that their power would be slightly mitigated.

Also academics were aware of these political games and they expressed their "solidarity" with Rectors' protests, as they believe that RJIES did not make a clear division of the powers of institutional leaders and governance bodies.

> "The original version of RJIES [Bill] was much more tough. The Minister played clearly against Rectors and universities. (…) He pressured universities with a 'slimming treatment' to compel change and then he imposed RJIES. He ended up to give up on certain things to please Rectors (…) and some other minor changes. In fact, the small changes he did are part of those things that are put on the Draft Bill so that one can step back a bit and reach an agreement. I do think that Rectors were not happy at all with RJIES (…)" (2PUa).

In the beginning of this discussion, it was mentioned that interviewed academics felt that the RJIES was presented as a Law practically concluded, with no room for discussions and/or their (academics) feedback. However, interesting enough is the fact that while most of institutional level interviewees complained about this constant imposition of the legislation, they also referred that this might be the most effective (although not the most efficient) way of introducing reforms in the system - mostly due to cultural factors.

> "These top-down processes naturally have some advantages and disadvantages. In a country like Portugal, where people spend too much time talking about things instead of spending time doing things, this creates favourable conditions for top-down processes. Therefore, in a country with such characteristics, and all the instability, it's necessary to do this sometimes. Otherwise, nothing will be done. But obviously there are also disadvantages, because many of these processes that depend on the participation of people, do not work because they are made without people's willing and their involvement" (3PUa*).

Partly, this goes in line with what external members referred about the lack of direction and strategy for the country. This (apparent) loose mode of governance, where it seems there is no continuity and/or collaboration among stakeholders, allows (more) easily for top-down processes of policy implementation, steered mainly by one person (in this case, the former Minister of HE), and strongly supported by international organisations. In his sense, one can say that academics are aligned with a more hierarchical and top-down management style similar to the dominant practice

in private management and also aligned with NPM principle of giving more power to managers. In fact, it is possible to infer that some academics haver incorporated NPM values, a process already stated in the literature (Santiago and Carvalho 2006; Carvalho and Santiago 2010; 2015; Santiago, Carvalho and Cardoso 2015). The managerialism ideology already present in the discourses since the 1990's (Santiago, Magalhães and Carvalho 2005) made management practices usual in the private sector, like performance assessment, acceptable and even expectable in HEIs. Later on, as the financial crisis started to be felt in a more intensive way in the country, the economic stringency environment facilitated this type of *doing politics* in Portuguese HE.

Overall, the academic community and national unions pointed to some positive aspects of Law 62/2007, which were common to those identified by the great majority of interviewees. The fact that RJIES aligns the statutes relative to public and private institutions by updating legislation concerning public and private universities' and polytechnics' autonomy and fairer quality assurance; and the presence of external members in HEIs' governance bodies have been aspects complimented by interviewees. All system level interviewees were consensual about these topics.

> "Initially, we all applauded RJIES due to a very *simple* question: it placed public and private institutions in the same legal situation" (3Ps).

> "I have a clearly favourable opinion of RJIES because I think it's extremely positive to have external members in the governance of universities. (…) This created in universities a much more intimate relationship with society and made the society much more attentive and aware of universities' life. But this is a very global view and it's going to be very interesting to see in 5 years' time the impact this effectively had in the role universities have in society, because for me that was the great innovation of RJIES" (2Ps*).

These two changes that came with RJIES, and which define the same rules for public and private HEIs and the external participation in institutions' strategic decision-making bodies, are the rationale that better explains why the polytechnic subsystem showed more sympathy towards RJIES than classical universities. However, another *variable* contributed for this acceptance, namely the fact that polytechnics' leaders saw this legal framework as an opportunity to finally upgrade polytechnics legal and social status to the same *level* as universities.

> "The RJIES was crucial in contributing for a positive evolution of the polytechnic subsystem, as it created a greater harmony within this subsystem and its schools. It provided also the same degree of autonomy, both for the polytechnic and the university subsystems" (1Ps).

Additionally, it should be mentioned that whereas the participation of external members in universities governance bodies is still very recent, and therefore it is difficult to accurately assess their involvement in universities' management, already in the 1990s, the Polytechnics' Autonomy Law (Law 54/90) demanded 20% of external stakeholders in polytechnics' governance. In this type of institutions, external members even participated in the election of the president.

Another positive aspect of the law highlighted by system level interviewees and some

institutional actors relates to the fruitful discussion of topics that usually are only talked in closed circles and which, frequently, are not taken that seriously. This was pointed as a factor that strengthened the institutional bonds between the academia and the institution where they work.

> "The RJIES brought to public discussion within HEIs ideas that were not discussed within the universities, such as the issue of staff performance assessment system, and the fact that both professors and students should be accountable for what they do. It is about students' rights, the rights students have in having information on time, in being treated as an important part of the institution, and it's about the duties of Professors with respect to this" (5PUa).

One can say that underlying the different positive aspects pointed by interviewees is the hope/wish for increased autonomy, combined with adequate and/or sufficient funding. HEIs should be able to decide and perform their tasks as separately as possible from the state in order to decide how their mission is best achieved, while working independently with other institutions and companies both nationally and internationally.

In turn, those who opposed the law invoked all NPM ingredients contained in the legislation for their discontentment – a fact which makes us wonder to what extent is Portuguese HE community ready or willing for a (stronger) managerial revolution… Opponents of RJIES argued that the Law was motivated by a privatisation agenda and that it carried the risk of submitting institutions to private interests.

Among the academic community, it was perceived a great discontentment with the law that mainly relates to the nature of the document. The RJIES was perceived as too extensive, too cumbersome, too complex and too much prescriptive, not allowing HEIs to do anything without previous consultation and approval. This opinion was common to all interviewees, performing different roles. They expressed quite distressing views on the fact that they spend a lot of time and energy in trying to understand and contextualise the RJIES with the national legislative framework, a fact that they relate with the social context and to the *traditional* way of drafting legislation in Portugal.

> "The RJIES is completely wrong because it's such a regulatory document that it's even scary! The new legal framework should have 20 or 30 articles maximum. So I have this critic: is too long, too regulatory, too standardised, etc. Honestly, I think one missed the opportunity to do something simple, but quite oriented to allow for institutional responses, clear and transparent. We ended up with an ambiguous situation. Something was created, but without taking the idea to its final potentialities. We stood in that middle term situation that is very typical of the Portuguese society: do not assume a rupture to do an adjustment, we have to consider those parameters, but we also need to consider that things might not be exactly like this… It's that type of language very characteristic of the Portuguese culture, isn't it?" (5PUtm).

> "I'm not a great expert in RJIES because like other laws and our legal tradition, it's not easy to read, you almost need a lawyer to understand the implications of those articles!" (1PUa*).

Throughout the whole process of interviewing Portuguese actors, there was a latent feeling of frustration and unconformity whenever the topic of the *traditional* way of doing politics in Portugal

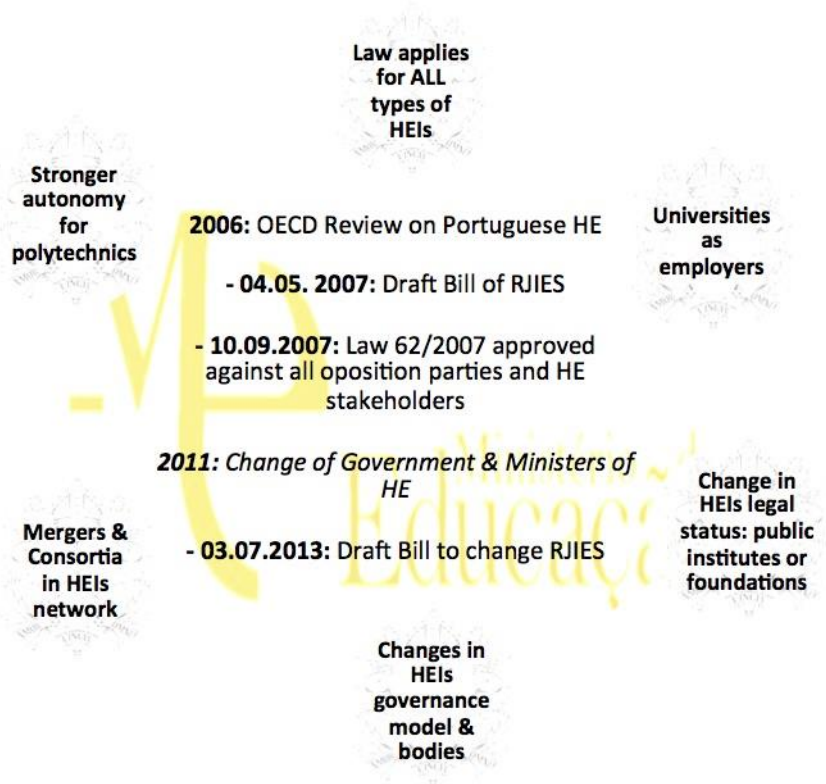
popped up in interviewees' discourses. On one hand, despite the negative aspects identified, interviewees tend to recognise the potentialities the legislation is expected to bring. However, on the other hand, this typical way of organising HE political life hinders possibilities of change and of easily engaging in reform processes.

> "I think the RJIES suffers from the same ills that all our legislation in general suffers: it's too prescriptive. (…) It's so regulative that everyone gets stuck. Now we are all equal, but we are all tucked inside a straitjacket! (…) I could say that in general the RJIES brought things that were not standardised and that should be, but it did this with so many details that it creates problems to us all – because it's so demanding in administrative and procedural terms that have nothing to do with HE. Our legislation has always been a bummer! Since the beginning, and I think we could have improved with time, but I can't see things getting any better! (…) The RJIES didn't make our life easier…" (1PUmm*).

> "I can tell you, for example, that RJIES didn't take into account that there are universities that integrate polytechnics. And then, there are problems that had to be solved, namely the creation of a single Scientific Council in the university. Certain things cannot be followed by just reading the RJIES, it doesn't leave much room of manoeuvre for the diversity of situations that exist in the country. It's a law only thought for universities with faculties, clearly" (3PPmm).

These perceptions are transversal to interviewees at both subsystems. Figure 12 summarises the decisive moments for drafting the Law 62/2007, as well as the main changes it brought for Portuguese HEIs.

Figure 12 – Temporal Context of RJIES and main changes brought by the Law 62/2007.



It should be mentioned that many of the initial supporters of RJIES, and more specifically top-management interviewees, have been changing their minds as time went by. This shift in the panorama is explained, mainly and foremost be the economic stringencies that were then imposed to the public administration and consequently to the universities. Therefore, interviewees referred how their expectations and hopes were dashed when they started to realise that many of the flagships of RJIES did not happen (yet) and might even never happen, considering the political and financial instability of the country.

> "I followed the negotiations [of the RJIES] and I think they were positive. It was risky, but everything has a risk and I think it was a good thing in which we should take risks. I even think that internally this could have given us more strength and encouragement and it could streamline things in the university. However, what they announced to us, it didn't happen. We are absolutely stagnated for almost two years. In these last two years, we feel like we're in a bubble" (4PUmm).

> "I believe RJIES gives opportunity to university management to take advantage of potentialities and opportunities that didn't exist previously, or were not sufficiently understood, or that were hindered by legal and contractual causes" (2PUtm*).

A more optimistic view, although with some reservations, was expressed by system level interviewees. Again, the economically difficult situation in which the country finds itself tends to be seen by this group of actors as a time of both opportunities and challenges.

> "The competition has always been there, right? We shouldn't think that it's a new thing. It's natural that now HEIs have to organise better to catch resources from other sources than the state. And I think that's good because it forces institutions to think differently on the way their internal affairs are conducted. Actually, sometimes these difficult times help people to organise themselves better, to work better, to make choices that they don't do when they live in abundance. So, I don't feel special alarms with this, but I do have some concerns. It worries me to not know how all stakeholders, not only HEIs, but also the society, the governments, how will they deal with the difficulties we are experiencing now? I'm concerned because I can't see guiding lines emerging, or plans or paths… but this is necessary to happen, you know?" (6Ps*).

In line with what other top-management actors feel, namely the interviewee 3PUtm*, the main problem in Portuguese HE (and one can extrapolate this to the Portuguese society) seems to be the lack of a clear orientation and strategy for defining the main priorities and targets of the system and the country. Ultimately, this situation is seen as a governance problem.

2.2 Implementing the *Yliopistolaki* 558/2009 (New Universities Act) in Finland

The Europeanisation context of both Finnish and Portuguese HE systems allows for some similarities with respect to the sequence of events that led to the emergence of the New Universities Act in Finland and the RJIES in Portugal.

In Finland, many changes brought about by the recent legislative reform had their roots in the

1990s. As mentioned in chapter IV, J. Välimaa (2012) describes this period as the "globalisation shock", considering the profound consequences it had on the development of the Finnish HE system. Välimaa (2012b: 40) considers that the most profound international and global influences originate from the OECD, which has used its 'soft power' to initiate and guide policy debates in its member countries.

Kauppinen and Kaidesoja (2013: 1) refer that between the mid-1990s and the 2000s, Finland witnessed a rapid structural transformation from an economy mainly based on resource-intensive industries to the most ICT specialised economy in the world, allowing for the development of "a new knowledge-driven capitalism" in Finnish HE. In turn, as HE policy became more closely linked to economic aims, universities gradually gained autonomy through Law 645/1997 of 26th July. The New Universities Act (Law 558/2009) replaced the Universities Act of 1997, further extending the autonomy of universities (OPM 2013). As a matter of fact, the degre of state interference in HEIs' life, or, by other words, "the relationship between HEIs and the government is the core of the new legislation" (4Fs*).

Similarly to what happened in Portugal, also the OECD published an extensive review of the Finnish HE system in 2006. Later on, during the time the law was drawn up over 2008-09, the OECD released a new review in 2009. The conclusions of the OECD review team were reminiscent of NPM style par excellence (Kauko and Diogo 2001: 125). The problems they identified were attributed to bureaucratic bottlenecks and a lack of entrepreneurialism (OECD 2009: 57-58). Hence, with respect to universities there were "pressures for more autonomy" in order to "become more entrepreneurial" (*ibid*: 105-106). To help to achieve this, the OECD offered recommendations and suggestions (*ibid*: 133; 108; 116). An example of the OECD's recommendations relates to the new legal status for universities, which should be redefined as "Legal persons", rather than as civil servant units. In gaining legal personality, universities were transformed to either public (non-profit) corporations or to foundations (*ibid*: 108).

Mostly Finnish system level interviewees acknowledged these OECD's reports as having (some) influence in the reform of the system.

> "What was also very important was the thematic review of the OECD in 2005/2006 of Finnish HE policy and the OECD really make some important recommendations" (3Fs).

> "OECD reports are not that much read among university staff but they have a big influence at the governmental level. There has been some discussion in Finland among academic people that the Ministry uses OECD reports to have more leverage" (5Fs).

These views go in line with Kallo's (2009) findings on the utilisation of the 2006 OECD HE review of Finnish HE policy reforms, concluding that the OECD's legislative power is limited. However, the organisation has created what Johanna Kallo called "other effective forms of soft laws". These

are, for example, peer reviews, recommendations, and indicator studies combined with EU's methods, which aim at steering the national level decision-making, HE agendas and future legislative reforms (Kallo 2009; Amaral and Neave 2009b). Although this information is subjective by nature, the frequency with which Finnish respondents mentioned the OECD and/or its possible influence in Finnish (higher) education reforms was certainly lower when compared to Portuguese interviewees. Whether we add to this fact the cultural and historic contexts of both countries, as well as the analysis on changes in HEIs' governance and management procedures, it seems fair to believe that the OECD influence in Portugal regarding to HE policies has been more substantial and more direct than in Finland (cf. Box 1). Several hypothesis can be put forward to explain this fact. Historical evidence shows a *tradition* of the Portuguese government, driven by the WB and OECD recommendations as well as the EU carrot, in drafting HE legislation legitimised by and with the support of these organisations. In fact, as stated by the OECD (2003), HE reforms has often substituted one form of influence and control by government for another. Being a younger country than Portugal, and entering in the EU also later (in 1995) and for different reasons, this *practice* of international influence in HE policies is not as old as it is in Portugal. Another possible explanation relates to financial issues. In Finland, the direct costs of HE to an individual are much lower when compared to Portugal (OECD 2012), a fact that gives OECD leeway to exert pressure, recommendations and/or advice on this matter, as it happened in the 2007 OECD national review report where it strongly suggests an increase in tuiton fees for Portuguese studentes (OECD 2007: 12; 120; 126, cf. Box 1).

Easily put, the interviewees' perceptions on the New Universities Act varied from proponents of the law – system and top-management actors, and opponents of the law: middle management actors and academics. This classification is drawn upon interviewees' perceptions. However, this is a too linear conception of HE policy making dynamics and relationships. The critics expressed by Finnish interviewees, namely middle management actors and academics were not so much directed to the new legislation but mainly to the way the process was conducted and to the uncertainty feelings it has been creating among the academic community. In fact, it is likely that due to this uncertainty also Finnish interviewees who perform more administrative activities – the university's technostructure – seemed to not feel at ease in talking about the new legislation. It was visible the discomfort from non-academic staff when this topic was addressed and, especially young members tried to demonstrate their positive views towards the New Universities Act and to the way it was implemented.

The first association that technostructure's interviewees attribute to Law 558/2009 is the end of the civil servant status for university staff. Considering the strong steering capacity of the Finnish

government, and the long tradition of universities as the *ex libris* of Finnish public institutions, it is not surprising that interviewees still feel confused with what this change might effectively represent to them.

> "I know that there has been working groups within the university working in the university law, and most important, regarding to the change that took place since the 1st of January of 2010 onwards, the change of the status of the staff" (1FUt).

With respect to the way the Law 558/2009 was implemented, and according to the Finnish Ministry of Education website, the reform has been prepared in close collaboration with universities and stakeholders and it started in spring 2007. This corroborates most of system level interviewees' as well as Rectors and some top-management actors' views who described the process as a "quite strong parliamentary system" (1Fs).

> "The process started sometime in 2007, I think, by the then Social Democratic Minister of Education. They made a study about suggestions to the proposal on how the universities' reform could look like. The Minister had the input from (…) a very good study done by this preparation group who made the first proposal and the Minister was continuously informed by them. Then they made the proposal that was discussed in large meetings with the university' leaders and with the Ministry of Education. After that, the Minster of education appointed the advisory group who should come up with the basic principles of the reform" (6Fs*).

> "During the process, when they were drafting the law, they sent it to us and we were able to give comments. Then there was a hearing with part of the parliament; there was a special committee for these issues, (…). Well, it's always like this when there is a new law, it's always sent to the stakeholders for comments, BUT this time *[interviewee's emphasis]*, each university was able to write their own statements" (1Fs).

The interviewed Rectors also had a positive view on the process, as they feel part of the process. Therefore, their argumentation naturally reflects (only) their side and the views of those who made and/or have colaborated with the Law.

> "There was communication between the government and the Finnish Universities Council. There was no imposition because we [Rectors] could influence the law. (…) We made proposals, we were very active and we were highly trusted in our tasks" (1FUtm).

In fact, Finnish university rectors showed clearly satisfaction with this new law once they had claimed for a reform that would confer universities more autonomy. In 2005, a joint-statement was elaborated that would be known as the *Red Manifestum*. As referred by most top-mamangemt interviewees, some aspects from that statement came into the law. Some system level actors as well as some top management interviewees believe that the latest University reform was spurred by this *Manifestum* of Finnish University Rectors. Nevertheless, this would put too much weight in a document that, despite its relevance for drafting the Law 558/2009, does not take into account other important factors which were decisive for change. In this way, what from the Rectors' point of view is the starting point of the reform, from other perspectives, it can be seen as an intermediary moment or an *evolutionary* stage of a changing process that accompanies social and political change

trends in other sectors of the world/Europe (Diogo 2014b).

> "We started the reform some years ago. There was also this initiative by the Finish Universities Rectors Council, and they were following the European discussion that had already started in the mid-1990s, emphasising universities' institutional autonomy that ought to be increased. The key element in the initiative was that universities need to have legal personality of their own, that they can't continue to be state accounting offices in legal terms as they were at the time" (2Fs).

This citation shows that, as much novelty that the process brought, the New Universities Act cannot be seen as a rupture with the past, but rather a continuity in Finnish HE policy.

> "What I want to stress is that, with time, the key players in the Ministry and the civil servants were very sensitive to international and national discussions and they were ready to reform the system on the lines of what was expected from the HE community" (3Fs).

Also the OECD (2009: 58), for example, as well as some interviewees, directly referred to the fact that both the Finnish Ministry of Education and the Confederation of the University Rectors supported enhanced autonomy. As Kallo (2009: 370) has pointed out, the Bill had a rather peculiar approach with regards to the OECD recommendation. Initially it states that the recommendation to reform the legal status of universities was "appropriate" (Government Bill 7/2009: 28), but later the tone changes when OECD considered the reform a "necessity" (Kallo 2009: 298; 370; Government Bill 7/2009: 29 *in* Kauko and Diogo 2011: 126). Additionally, (more) work was done by a two-member committee, which the OECD team was unaware of (OECD 2009: 110), but to whom the Government Bill for the new university law made reference to and noted that international comparisons did not support the universities' old "accounting office" model (Kauko and Diogo 2011: 126). Also some system level interviewees as well as some institutional actors enthusiastically referred to this working force committee.

> So the process was started already with the previous government where we had working groups dealing with this issue and there was this two-men committee working on the possible new legal persons that could be given for universities, that was a very interesting piece of work" (2Fs).

This was so because one of the members of this restricted committee was a top-management actor working at the university of this case study by that time. As such, it might be that this specific Finnish university might not be a paradigmatic example regarding the perceptions of the academic community towards the reform process and flows of information related to it.

> "We had internal information, periods when people could discuss and ask things. Of course that people don't like changes, but we were happy because in our university people were less unhappy than in other universities" (2FUt).

Institutional level interviewees accomodating different roles acknowledged that, compared to other universities in the country which were not represented in the legislative process, they were somehow privileged for having an *insider* of their institution working in the task forces preparing and deciding the new legislation.

> "The two experts who were in the expert group writing the law were our 'head master' and the

> other one was from another University. So we knew quite a lot about the process, all the time, because they talked with us about what was going on and what were the next steps. (…) We knew quite a lot of what was happening, at least in this unit, but I don't know if people in the faculties and in the departments knew as much as we knew here" (4FUmm).

It is possible to infer that despite uncertainty feelings towards the changes the law imposed and that were about to happen, most interviewees felt more confident in the decisions taken as they perceived that the interests of the institution they work in would be contemplated. This definitely helped for a smoother implementation of the New Universities Act in this university, when compared to the Portuguese university. Nevertheless, and as can be perceptible by the aforementioned quotation, some top and middle mamagement interviewees also believe that this flow of information might not have been as efficient as it could be, considering that faculty members were not sufficiently aware of what was going on. Opinions differed according to the actors' roles while interviewees themselves acknowledged these differences of perceptions and even of emotions. While system level and top-management actors expressed their contentment with the way the process was designed and implemented (as some of those people made the Law), and referred to the close cooperation and closed environment that existed between the government and important stakeholders, the great majority of middle-management actors and academics reported that people were not consulted.

> "Naturally, there were people against it and people for it but, anyway, the overall opinion was in favour of these principles. (…) It was something that took time, the whole organisation was very positive, but still later on opponents were saying: 'oh, there is a reform going on and nobody told us!' And we really made an effort to communicate, to have people involved, there were even campus meetings about this! But by that time, people were not really interested to know what was going on and then there were people occupying the senate square and there were students' protests. I think the Ministry really tried to get the university involved. It's a pity that academics don't recognise this (6Fs*).

Vs.

> "I think this New University Law was created in a great hurry and there wasn't enough time to have discussions. In this department, for example, I feel that we weren't heard" (4FUa*).

A common observation that was frequently raised by academics during the interviews referred to the fact that, to their eyes, the Law had been practically decided when it came for discussion at the faculty level, and therefore, *opportunities* for discussion were minimal and/or non-existent (Diogo 2014b).

> "I think there has been some dialogue between the university's leadership and the Ministry, but if you think about the faculty or the department, we were only informed or asked about things later on, and I don't think we were really heard. Let's say in this way: they heard us, but I don't think they listened to us. (…) I think we didn't get enough information, I mean we got information, but it was only little by little, too slowly. For example, last fall there were still certain things, from the administrative point of view, that we were not sure how to deal with and that was complicated. The first year was really difficult, because we didn't know enough about certain things. We asked

> the Deans but because they weren't aware on how to deal with things related to funding, for example, they had to ask to the administration. We were getting information only little by little, and that's not good" (1FUa*).

As analysed in the Portuguese case, Finnish academics' perceptions do not differ much from their Portuguese counterparts. This is possibly explained by the specific characteristics of the academic work and HEIs culture, and also by the logic of appropriateness of behaviour that the faculty members start to be embedded at the moment they initiate their practice in any HEI. Although with different with a different historical and cultural path, the Portuguese and Finnish institutional field share a very specific culture rooted in traditional academic practices and ethos. However, not every Finnish actor shared from the previous opinion: there was some disagreement among other actors that work in the same university, as well as among interviewees belonging to the same role. In line with what (some) system and institutional level actors referred, the importance of being proactive, of searching for information, to attend and participate in discussions were points approached during the interviews. Indeed, among middle management actors, different opinions and attitudes emerged towards the process of policy formulation. Contrary to the perceptions of some of their colleagues and academics, there were some Deans who pointed out the fact that there were enough opportunities to be acquainted with the Law. Furthermore, this difference of perceptions can be explained due to the fact that decision-making processes were for many years based in collective and collegial decision-making and the fact that academics are used to have autonomy in the decisions related with their work, make them to perceive their participation in the political decision-making process as lower than it was expected to be. This mismatch of the academics' perceptions can be confirmed by the different views of other institutional actors. Again, this specific Dean was aware that opinions vary within academia.

> "I liked the preparation process, I personally had all the possibilities to get information in each earliest phase. Our Rector was very wise to have an open forum for us [Deans] to meet regularly and prepare ourselves for the new legislation and there were many public debates organised. I know that if you ask the same question from the staff, or maybe to some other colleagues of mine, the answer is different. They feel that nobody listen them and that's also true, but this is also a question of self-activity. For example, in our university, several public discussions were organised and the auditoriums were very empty… so this is also a question of staff's proactivity, because there is only one way to have your voice heard, which is to go somewhere and say something, criticising, supporting or asking questions" (2FUmm).

Another difference between these two types of actors [system level and top-management actors vs. middle management actors and academics] with respect to the implementation process relates with their perception on how long the reform efectively took place to happen. Whereas system level and top-management interviewees reported that the New Universities Act took a considerable amount of time to be thought and implemented, with enough time for discussions, middle management actors and academics feel that everything happened too fast, that they did not have the right to

express their opinion on the law. Moreover, despite the fact that there was an *insider* in the university who was active in the legislation process, faculty members did not have either enough information or time to deal with changes smoothly. This perspective is also congruent with media sources that described the New Universities Act as a critical law "and so it is likely to be passed quickly" (University World News 2009). Nevertheless, it was also acknowledged by some system level actors who have management and teaching roles that despite the discontentment expressed by the academia, this is probably the way policies should be designed and implemented in order to speed up change.

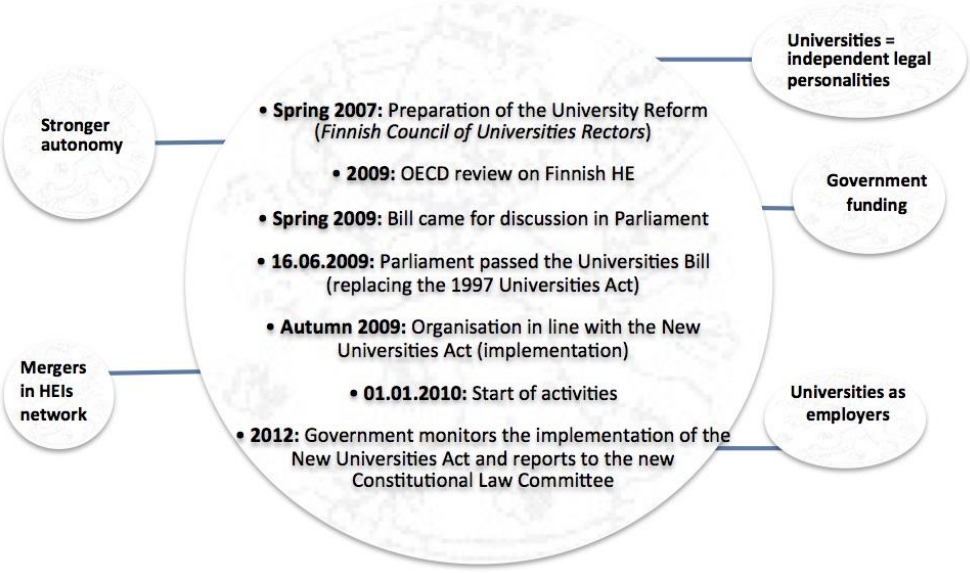
> "I think there was a dialogue, at least between the Ministry, the Rectors and the leadership of universities, but it might be that there wasn't a real dialogue between all staff members and students and the Ministry. But I don't now if it would be possible to organise it in a way that everybody could participate. It was relative well done in a way that quite many could participate and gave their opinion to this process. (…) The leadership of universities, at least, was for it. But I know that among staff members and students there were critical voices" (4Fs*).

This duality of opinions about whether faculty members participate enough on political processes, and/or any other activities besides teaching and research, brings our attention to other dimensions of analysis, as for example changes in the academic profession and its management; changes in decision-making and in actors' roles. Furthermore, it was also perceptible in both countries that interviewees doubt i) whether it is really possible to increase faculty participation in political life and ii) whether increased participation would, effectively, change the university core activities, e.g. working conditions, access to funding and more autonomy to perform tasks.

> "(…) I would like to see more participation also from the different levels of working members. But, as I mentioned previously, the university people are mainly people who don't like bureaucratic discussions that much, we are not so much interested in laws, in ministry guidelines, we are so devoted to research and training itself that the rest tends to be forgotten or to be considered a burden…" (2FUmm).

Before moving to the second dimension of analysis, figure 13 revises the chronological time frame of the New Universities Act as well as the main goals stipulated in the Law.

Figure 13 - Temporal Context of the New Universities Act and main changes brought by the Law 558/2009.



To sum up…

This first dimension analysed the political process of design and implementation of both the Bologna process and the RJIES/New Universities Act in Portugal and in Finland. It addresses the first research question – *How these policy processes have been designed and implemented in both countries?* Thus, what does the previous detailed analysis mean about the way Portugal and Finland approached change and on how they implemented the Bologna process and the RJIES / the New Universities Act?

Generally speaking, and at a first glance, the initial dynamics towards the Bologna process did not differ much from country to country and even among HEIs in both countries. By other words, even if at the beginning there were some reluctance and concerns with the process, faced with the national Ministerial decisions of signing the Declaration, HEIs started to move in the direction of the Bologna reform, which was firstly seen as the implementation of a comparable system of degrees, consisting of a 3 years bachelor degree and a 2 years master degree for the majority of study fields. More or less consciously, and in a more or less positive view, HEIs were aware that change comes along with several challenges that also represent opportunities to reflect and improve HE and bring it closer to society. In this matter, one can say that more than coercive pressures by the national governments, HEIs felt the need to accept and implement Bologna based in normative and even cultural-cognitive assumptions. Professionals within HEIs acknowledged not only the need but also the *obligation* to be a participating part of the process in order to assure that the upcoming changes would maintain the dominant norms and values in each specific country and not disturbing much the professionals' routines and the subjects academics teach. Thus, in addition to the government's imposition and different contexts, the main difference between countries regarding

the implementation of the Bologna process lays in the rationale that led HEIs' willingness to implement and deal with change.

Faced, on one hand, with the lack and delays of the several Ministries' regulation, and, on the other hand, with the *relaxation* and lack of organisation of the curricula and degrees' reformulation, Portuguese HEIs felt they were lagging behind their European counterparts. As such, they needed to move forward in the implementation process, and do it fast. Faced with the developments of other European countries and with the lack of government guidance, HEIs tried to *anticipate* the reform without a deep reflection. The European context turned to be part of the organisational field and in such context, it is possible to say that Portuguese HEIs were trying to avoid losing legitimacy in the field for not being at the forefront of the proposed changes. The first stage of the implementation process of the Bologna Declaration happened thus in a more superficial way, a fact that led some interviewees to feel that the implementation process happened more "in form" rather "in substance" or, as some actors referred, it was mostly a "cosmetic change".

In turn, faced with the Ministry attitude of presenting the reform as a solution for (some of) the problems of the Finnish HE system, and its attempts of adapting some national objectives to the Bologna process goals, Finnish HEIs, after a first moment of reluctance towards the implementation process, saw this *momentum* as an opportunity for change while simultaneously trying to align institutional objectives with national guidelines.

> "(…) you can also think about positive things and we can also use it [the Bologna process] as a tool. Even some institutions had their own goals, so we have the European Bologna targets, then some national, for instance the shortening of study times, that was a national project, and then some national HEIs had some institutional goals, and probably, even within different disciplines, you would find some changes" (5Fs*).

It seems that contrary to the Portuguese perceptions, Finnish interviewees considered the national level more relevant in its organisational field than the European level. This difference is mostly explained in the way the initial phases of the process were conducted, which, generally speaking, involved more discussions in a smoother way (also due to cultural reasons), with more actors participating in the discussions. One can say that the most optimistic retrospective of the whole process of implementing Bologna in the Finnish higher education scenario positions it as a win-win situation, although strictly led by the OKM and where HEIs, as well as the Finnish Councils of University Rectors and Polytechnic Rectors were more passive actors (Knutell 2002; Välimaa et al. 2007: 51). These findings confirm that the Bologna framework is highly adaptable, not only at the international level, but also – and more specifically – it became an effective process for other national and institutional initiatives, whose objectives have grown among politicians, civil servants and the university leaders (Scott 2012).

In turn, despite the Portuguese university analysed here had already been through a somehow

similar curricular reform to the Bologna process, where institutional actors had to join and rethink the way they organise their disciplines, the way they lecture and how all this should be governed, when the time came to implement Bologna, the challenges were not *minimised* as it would be expectable and even desired. One of the reasons explaining these tensions at the institutional level lays in the emphasis put in the acquisition and development of employability skills in the 1st cycle of studies, exacerbating the hierarchical status of some disciplines and professions, where the professional orders played a significant role in the *negotiation* of the length of the degree structure. Professional associations represented the interests of their professions as they adapted their statutes to maintain and/or upgrade the necessary requirements for the practice of different professions (Diogo 2014a). During the reorganisation of curricula, the Portuguese interviewees highlighted the competition among academics which aimed at maintaining traditional concepts of their disciplines in order to ensure the continuity of their jobs and to make the new Bologna bachelors similar to the old ones in order to facilitate adaption. These aspects seem to reveal that the normative pressures for change were evidenced in the Portuguese process.

Confirming the notion that academics work in 'tribes and territories' (Becher and Trowler 2001). in both Portuguese and Finnish case studies, national, local and institutional internal support groups, usually grouped by disciplinary field, were set up to facilitate the implementation of the Bologna process. These groups have then worked in interaction with each other and across disciplinary networks and committees. The main differences between countries regarding this aspect is that the Finnish Ministry of Education provided funding for these groups during the years 2003-2007, whereas in Portugal no funds at all were targeted for this.

It seems plausible to state that in both universities analysed here, the central administration (top-management) and most of the university community have been involved in the process, although the majority of academics in both countries (especially in Portugal) pointed to the amount of information provided in a completely disorganised way. Nevertheless, it was also visible in both countries that academics and middle management actors engaged in a deep study of *their* disciplines in order to provide fundamental analysis of the main contents, teaching and working hours of the curricula and to adapt these to the new degree structure. Again, also due to the financial situation of the country, as well as due to its cultural and historical factors, Portuguese interviewees in both subsystems pointed to the internal *quarrels* among academics (and one should remember that "academics" is a group of interviewees that includes several roles in parallel with lecturing…) when it was time to plan and reorganise the curricula and the degrees according to the ECTS system and *fit* the old 5 and 4 years content in 3. Perhaps because top-management actors themselves did not have to go through this work of curricular reorganisation at the level of basic units, their visions on

this tend to be more positive and focused on the long run. Finnish system level interviewees as well as top-management actors believe that the Bologna process induces competition in the system, which is "good for quality of teaching and research in the long run" (2FUtm).

The different interactions and political organisations of the Bologna process in Finland and in Portugal are illustrated in Figures 11 and 1, respectively. Finnish actors (and literature) placed great importance in the national discipline-based coordination groups as one of the positive factors for the successful development of the process. In turn, Portuguese interviewees as well as literature and media sources highly criticise the rush and lack of coherence and even of communication among stakeholders in implementing the process. In Portugal, Bologna also meant the restructuration of the whole higher education system and this explains why the reform was more challenging in Portugal than in Finland. The analysis of the political organisation of the legislation reforming governance modes and practices in Portuguese and Finnish HEIs shows a common international *sponsor* and supporter of NPM: the OECD. Both Portuguese and Finnish interviewees acknowledged the influence of *soft coercion* as a successful pressure for change. This means that the supranational institutional field was the main driver for reforms that assumed mainly a mimetic and normative character.

The Portuguese university analysed here portrayed a striking reality. Although most interviewees stated that, in fact, it was about time to change and rethink the legislation in order to update it and make it more *useful* for the reality of HEIs nowadays, the complaints about the RJIES were more than many. In parallel with the fact of being a long and complex document to understand (as most of the Portuguese legislation), the RJIES, in interviewees' words, tries to foresee and labelling everything in the same way/according to the same measure. As a consequence, the RJIES became a kind of corset for the academia and displayed differences among the various disciplinary fields, creating a stratification of knowledge within HEIs. Especially middle management interviewees pointed to the impossibility of predicting many situations in higher education and complained that the RJIES does not allow for the existence of discretionary power, indispensable at various levels of management. This somehow represents a contradiction, since the NPM reforms intend to promote an increase in institutional autonomy. As a matter of fact, some authors have already pointed out how this type of reform promotes a centralisation of the decentralisation (Reed 1999; Santiago and Carvalho 2008).

Interviewees with management roles also accuse RJIES of being such a regulative document that one ends juggling to comply with the law. Nevertheless, a curious aspect is the fact that although RJIES is such a regulative document, it still did not foresee some important and specific situations of the system, namely the fact that there are universities which integrate polytechnics, and/or the

existence of universities with a matrix structure, organised in departments rather than faculties. Again, the fact that the Law is so prescriptive, with no discretionary power, blocks the creativity to constitute governance bodies beyond the *prescribed* model, hindering the possibility of innovation while simultaneously creating something *bette*r than what was imposed.

With respect to the nature of the policy implementation process, it is fair to say that in both countries, both the RJIES and the New Universities Act were imposed to HEIs, although with different *intensity degrees*. While the process was much more coercive in Portugal, Finland had a more smooth and collaborative process of policy implementation, with more key players involved. One could picture an arena where every Finnish stakeholder (the OPM; UNIFI; HEIs; FINHEEC; ARENE; SYL and FU) has its part of duties and rights in a more balanced way than in Portugal. Portuguese interviewees descried the opposite situation. With the RJIES, for example, it seems that the design and implementation process was much more sponsored by the charisma of one person, the former Minister of Education and Culture, who also had the support of international organisations, whose popularity and importance has been historically recognised in the country. Similarly to what happens regarding to the Bologna process, also the different type of relationship maintained between the government and HEIs in both countries explains the different types of policy design and implementation.

In this way it is possible to say that national responses vary according to cultural aspects and national policies. In fact, the economic downturn that Portugal has experienced in the last years did not help to a smooth implementation of the RJIES – a fact that might explain differences in the engagement of implementing the reform. Furthermore, by being a country with a strong social welfare state, where the law and rule are religiously followed, it would be expected that the Finnish government had a firm grip in regard to policy implementation. Portugal slightly distances itself from this governance model. Traditionally, as Portuguese HEIs had a high degree of autonomy when compared to their Finnish counterparts, it would be expected that HEIs carry out these processes (and especially the Bologna declaration) without such a strong interference of the Ministry of Education. However, data tell us that, in practice, the Portuguese government has the ultimate word in reforming higher education, whereas the Finnish system went through a softer policy design and implementation process, but with the OKM always playing a central role.

Historical and cultural dimensions might shed light on this. Also these case studies corroborate Czarniawska and Sevón (1996) ideas on law implementation and enforcement as a process of cultural translation more than adaptation of reform. This corroborates Ball (1998) view that policy formulation may differ then from policy implementation.

HEIs behaviour should also be analysed according to the degree of autonomy each type of

institution holds. In this sense, it is important to remember that while Portuguese public universities enjoyed full autonomy in the creation and delivery of degree programmes (they only need to register these with the DGES), public polytechnics (and private institutions) until recently needed prior approval from government, through DGES, for the creation of new degree programmes. Only very recently, with new accreditation procedures, and after the RJIES, this situation changed. Therefore, as public universities had more autonomy, and in the case of the Bologna process, HEIs were able to change easily and rapidly their study programmes and start following international trends according to the Bologna paradigm. Finnish interviewees argued that strongly centralised HEIs (e.g. the University of Helsinki) took ownership of the implementation process, while in more loosely steered institutions, faculties and departments ended up following the coordination groups' recommendations. Consequently, different results among groups were evidenced, with some going further in their reforms, and others not putting so much effort on the process.

Another conclusion which comes out with the analysis of this first dimension is that although the processes approached during the interviews were the same, i.e. the Bologna process and the RJIES/New Universities Act, different subjects were related to them in both countries. For example, some Portuguese actors referred to the lack of funding with respect to the implementation of the Bologna process, but the majority of them did not see this as an obstacle for implementation. Mergers were much more mentioned by Finnish interviewees than Portuguese ones, although this might have been different if the interviews were carried out during the last trimester of 2013, considering the recent experience with the University of Lisbon and the forthcoming plans of the PMEC. However, Finnish data clearly shows an idea of reform as continuity and based on sedimentation process, whereas Portuguese data reveals change as a rupture with the past, or at least a strong attempt at reforming the university governance structures.

II DIMENSION
Change at the Institutional Level - Institutionalisation of NPM ideology and practice. Stakeholder Guidance, Academic and Managerial Governance: Internal Governance

After exploring how both countries implemented laws enforcing changes in the legal framework of their HEIs, and how the Bologna process was interpreted and translated in Portugal and in Finland, the research follows to the internal or institutional level, investigating how did HEIs of this study accommodate international and national pressures domestically. This dimension answers to the following research questions:

R. Q. 2 - Which (major) changes happened within the organisational structure of HEIs? What prompted such changes? How HEIs change their governance and management practices to cope with external pressures?

R. Q. 3 - Is it possible to evidence changes in the way work is organised within HEIs and in the way academics participate in decision-making practices as consequence of these external pressures/processes? How do they influence working conditions and academic careers?

Empirical evidence was obtained through interviewees' perceptions and document analysis, mainly the legislation on these themes and universities and polytechnics' internal statutes in both countries. Table 16 revises the categories and themes of discussion of this section.

Table 16 - Categories and themes that build up the second dimension

II DIMENSION: Institutionalisation of NPM ideology and practice (*Change at the Institutional Level*) - Stakeholder Guidance, Academic and Managerial Governance: Internal Governance.
I Category: **Structures and Processes: Institutionalisation of NPM ideology and practice**
Themes Portugal and Finland
1. Transformations in the organisational structure – The Portuguese Case
Public Foundations under Private Law
2. Transformations in the organisational structure – The Finnish Case
3. Changes in Portuguese Universities' Governance Model
(Re)composition of Governing Bodies and Election procedures – The Portuguese Case
4. Changes in Finnish Universities' Governance Model
5. Academic Careers and Working Conditions
The Finnish Case
The Portuguese Case

I Category – Structures and Processes: Institutionalisation of NPM ideology and practice

The following themes of analysis focus on changes in Portuguese and Finnish universities' organisational structure such as the establishment of universities foundation, mergers, increased technostructure in HEIs, etc. It draws attention also on shifts in governance forms of Portuguese and Finnish HEIs, as well as changes in theirs governance bodies. Relying on interviewees' perceptions, and on the literature review, the third and second research questions will be addressed.

2.1 Transformations in the organisational structure - The Portuguese Case

2.1.1 Public Foundations Under Private Law

One of the main changes introduced by Law 62/2007 is the possibility given to HEIs to opt for one of the two possible institutional models: institutions may choose to remain a public institute or to become a public foundation under private law, which is something totally new in the history of the system. By operating according to private sector rules with respect to financial and personnel management, university foundations assume a hybrid entity. Hybrid organisations relate differently with the state: instead of the traditional hierarchical model, a university foundation uses (quasi-) market mechanisms, e.g. contracts to set objectives, target agreements and multi-annual budgets (Palandt, 2003). So far, only three HEIs in Portugal made this choice.

Moreira (2008: 125-126) explains that a university foundation abandons the form of public institution to create a private law entity that owns the institution. The educational establishment stops to be state property and becomes property of a company or a foundation, holding its management. Usually, a change in the legal framework of HEIs follows, leaving partially or completely the legal regime of public law to be governed by private law norms. Institutions abandon the civil service scheme and adopt the labour contract regime through private procurement. Therefore, HEIs become institutions of private law, although they remain public with respect to their property and mission, replicating management methods from private sector in the public sector, as NPM commands. Civil law, labour law and commercial law replace then administrative law. There is a clear preference for management forms based on management autonomy, on managers' responsibility and accountability, on remuneration according to performance assessment exercises and the use of working contracts, etc. Everything known about private sector management is tried to copy, as much as possible, to public administration (Vital Moreira, 2008). According to

the constitutionalist, the main idea of the foundational model is for universities to have an "owner" that is not the State itself.

It was this greater degree of financial and human resources management autonomy that university foundations seemed to enjoy that pushed universities to adopt this new institutional model. Additionally, the perspective of obtaining lump-sum funding through multi-annual contracts would enable greater financial predictability and stability appeared quite enticing for HEIs, especially during uncertainty moments. For such enthusiasm, it very much contributed the way the legislator promoted the foundational status: a kind of ideal model, in line with the OECD's proposal (Law 62/2007, §129º, nº2) and which would outstand institutions which chose to become foundations. Curiously, five years later, in 2013, when the stipulated period to assess RJIES passed, the legislator's mind changed significantly, as explained later on…

The main advantages of the foundational model, as presented by its proponents, were:

i) Possibility of getting additional financing, including from private sources;

ii) Multi-annual state financing through contracts, enabling greater financial predictability and stability. With the RJIES, the university foundations signed a multi-annual contract with the government, which should last no less than 3 years nor more than 5 years, establishing the goals to be achieved and the penalty in terms of financing in the event of default by the institution (Law 62/2007, §136º; Amaral 2007);

iii) Flexibility in personnel recruitment and management (Law 62/2007, §134º, nº3);

iv) University foundations get to avoid the public accounting regime, prior supervision by the Court of Auditors and public tenders in public contracts;

v) Efficiency and competitiveness gains in what concerns management (Vital. Moreira, 2011). However, taking into account the current moment of economic crisis in which Portugal is emerged, and the successive changes determined by the Treasury that have already affected many of the benefits that led these institutions to opt for the foundational model, this so-called (financial) autonomy that appealed so much to HEIs might be useless. Several institutional level interviewees, especially those working in the administrative services, frequently referred to this situation.

> "This [the foundational regime] impacts on everyday activities because there are those little things that one had always need to do, but now these activities carry ambiguities and, in some cases, there are no advantages that apparently would exist in managing according to private law" (3PUt).

Nevertheless, as empirical data evidenced, being a university foundation became a hallmark, a kind of quality and innovation label for universities, a sign of progression and adaptation to the "new times" (Diogo and Bruckmann 2015: 36-37). It seems that these institutions saw in the transformation into a foundation the possibility to increase their legitimacy in the organisational field. Such perceptions are based on the requirements that (only) excellent and/or very good HEIs

fulfil, e.g. solid self-financing capacity which should be increased by raising institutions' own revenues (university foundations need to obtain at least 50% of external revenues) and scientific soundness which should be proved through the number of accredited 3rd study cycles, the qualifications of the faculty and development of top-level research (Law 62/2007). However, and as aforementioned, the law came into force in an ungrateful moment for the country. According to top-management interviewees, the funding that was supposed to be provided by the state to university foundations, as agreed-upon in the multi-annual contracts, has not yet been allocated. Faced with this scenario, it is not surprising that the economic context in which the country finds itself was constantly remembered by all interviewees: either by the *RJIES* supporters – who acknowledged that this was not the best time to assess the potentialities of such a legislative instrument – and by the RJIES opponents – who questioned its value and legitimacy in general, but especially in the current environment of economic crisis. Consequently, perceptions changed over time regarding the conception of the foundation model, and therefore "those who were fierce opponents during the campaign period started to pay more attention and aimed at internally revising this process and vice-versa" (5PUa). In sum, those advocating the foundational model, evoke technical arguments, increased flexibility and streamlining management processes, i.e. *managerialism* par excellence.

In parallel to the uncertainty moment – caused by economic and political instability – in which the RJIES arrived to HEIs, the term *public foundation operating under private law* is ambiguous in the light of the Portuguese Constitution and the Education System Act of 1986, i.e. it is not clear what kind of legal status is this, or what it implies. All institutional level actors, both at polytechnics and universities, expressed this feeling:

> "Even from the legal viewpoint, it was never well defined what is a public foundation operating under private law, and therefore one cannot understand clearly which influences and changes this might bring for institutional management, hiring processes, etc." (3PPmm).

Furthermore, whereas on one hand, granting independent legal status is one means of giving greater autonomy to institutions, making HEIs legally responsible for their functioning does not exclude institutions from an indirect state administration. In fact, educational trade unions (e.g. FENPROF) argued that the intention of the government in presenting the foundational status as the ideal governance model for HEIs has the objective of increasing the control of the state over HEIs by appointing the Board of Trustees under Rectors or Polytechnics' Presidents proposals (contradicting somehow the logic of introducing quasi-markets and/or the principal-agent dilemma). According to interviewees, the label *public foundation operating under private law* is confusing, not only in terms of legal and administrative procedures, but also on decisions and activities that are carried out. Related with this ambiguity, the majority of institutional level respondents pointed

to the climate of uncertainty and instability that creates anxiety to people working in academia.

The fact that RJIES should be evaluated every five years was pointed as a two-edged sword situation. On one hand, this revision is seen as an opportunity to correct flaws and/or less positive aspects of the legislation; on the other hand, it is perceived as contributing factor or a kind of confirmation of the lack of stability, considering that the new statutes and governance bodies need time to be accommodated and institutionalised. Even the most optimistic respondents, i.e. top-management actors, showed their concerns with respect to the durability of Law 62/2007:

> "The problem of RJIES is that we don't know if it is to stay or not. Actually, this is always a problem in Portugal: how long it will last?" (1PUtm).

These uncertainty feelings about the stability of the system and the durability of RJIES are certainly not unfounded. Shortly after the interviews were conducted in Portugal, the government elected in 2011 announced the abolition of the foundational system and its replacement by a model of 'enhanced autonomy' (Bill 275/201, 3rd July 2013). In fact, by just reading the first two pages of this draft Law, it is immediately perceptible its contradictory nature. While it starts to declare that

> "A law of this kind should have a great stability over time. HEIs cannot, for example, mobilise internally every five years, with elections, committees and debates to review their internal organisational and operational model, in processes that can last one or two years. This would compromise the proper performance of institutions' mission, especially in times of scarcity of resources. (…) Therefore, it would be unwise at the present moment to propose amendments to the governance model that entered into force, unless there was serious inadequacy and malfunction and widespread rejection, which is not the case" (PL 275/2013: 1)[85],

the same document proposed to discontinue the foundational status of the three public HEIs – one of the building blocks of the 2007 RJIES, creating a new model of enhanced or reinforced autonomy (§ 177º, PL 275/2013: 50-51), as stated above. Thus, if the document starts by stating that it would be unwise to change the governance model that entered into force in 2007, and that a Law should be stable over time, why to change the core aspect of RJIES with statutory bylaws of those HEIs that already changed their statues when they opted for the foundation regime?

The Ministry decided that university foundations would have to *decide* to adapt (again) to this model of enhanced autonomy until the end of 2013, although the 2013 Bill states that HEIs have 9 months to adapt their statutes to the new regime. It is also referred that the multi-annual programme contracts agreed with the 3 university foundations are cancelled upon the conversion of these HEIs into the new regime of enhanced autonomy (§177º). Considering that until mid-2012 (at least), and as mentioned above, the Portuguese university foundation of this case study had not received the agreed-upon funding as stipulated in the multi-annual contract, and that this amendment to RJIES appeared in July 2013, it is understandable the discontentment reactions from

[85] Researchers' translation.

interviewees as well as other stakeholders. They accuse the Government and the Minister of making up excuses to not fulfil their obligations and promises.

> "Both things [the law and the crisis] are inseparable, and therefore the interesting aspects that the law might have brought, were cancelled by the crisis because a number of issues that are there involve money, like salaries' increase, different ways for the state to connect with universities, etc. So, what happened was that this Law came, they told us that we had to do our part, but they wouldn't comply with their part…" (1PUmm*).

> "What makes me sad at this moment is to see that, with the economic and financial crisis, is very likely that we won't get what was signed one year ago… it won't be accomplished" (1PUtm).

However, it is also truth that, until the beginning of 2015, the Draft Bill never became more than that: a draft, and so far the RJIES has not been changed and it is very unlikely that the government elected in 2011 will make any amendments on this[86]. Again, such confusion and distrust and instability environment could be avoided whether *politicians traditions* in Portugal were more… coherent.

It is important to understand that the RJIES appears in a moment of change also for public administration, namely with respect to the rules of hiring staff (human resources management), funding issues, etc. In this way, in the last two years, university foundations have been increasingly more included in the state domain, such as other public institutions. Consequently, when it comes to financial and accountability issues, and almost 5 years passed, different institutional actors perceive that the university foundation never existed:

> "In practice, the foundational regime is suspended, with an exception for the aspects related with assets. This means that in terms of financial management, university foundations are again in the perimeter of the state budget and therefore have to check the rules, standards and all requirements such as any other university. So, according to what the Finance Ministry determined, from the viewpoint of financial management, universities were left with very little difference in relation to other institutions" (4PUtm).

> "The differentiation that existed at the beginning seems to have been fading gradually away. At the present, I don't feel that this is a legislation that impacts in terms of hiring people, accountability, etc. We have to check constantly if this applies or not to a foundation. (…) Thereby we have to constantly ask for clarification and ask if we have autonomy or not" (3PUt).

Somehow, these results confirm Powell and DiMaggio (1983) statement that in a process of change institutions tend to become more similar than different. Formal (based on the impositions of new rules due to the economic bailout) and informal mechanisms (related with the prevalence of the existent cultural-cognitive framework) did not allow for universities that adopted the foundation model to change radically. This contributes to the existence of hybrid forms and structures in the

[86] In January 2015, a newspaper reported that the former Minister of HE retreated from the idea of cancelling the foundational status, and that university foundations are able to maintain this status and others that which to change their status from public institute to a public foundations under private law are allowed to do it. News retrieved from: http://www.publico.pt/sociedade/noticia/governo-recua-e-universidades-vao-poder-continuar-a-ser-fundacao-1682229

system: the culture that already existed, remains, but there are new elements in the process of *institutionalising change*.

Additionally, this overlapping between public administration institutions' and foundations' obligations raised complaints towards the fact that the specific nature of HEIs was not taken into consideration when drafting the RJIES:

> Changes in public administration and instruments designed for public administration in general were brought into universities without taking into account that public institutions are different from General Directorates and these instruments do not work in HEIs and they never will! This wounds autonomy! Basically, there's a fundamental disrespect towards the nature of the institution and its autonomy (6Ps*).

When one takes into account the cumbersome nature of Law 62/2007, the changes in the public administration sector that impacted on HEIs, and the contradictory nature of the Bill to amend RJIES, it is not surprising actors' *confusion* and disillusionment with the foundational status. Furthermore, by reading the proposal to amend RJIES, it seems that also the government does not know exactly what it means for a University to be a *public foundation operating under private law*:

> "It is not, in fact, about foundations in a strict sense. The regime is defined in the RJIES itself and features, in practice, by greater autonomy and flexibility of management. There was no foundational capital, only the possibility of the asset registry of real estate assigned to those HEIs and partial use of private law, namely with regard to financial, asset and personnel management. (…) The 'public foundations under private law' of the current RJIES are a legal construct that reflects a strengthening of the autonomy of certain public HEIs (…). According to the assessment of the Ministry of Education and Science, such a construction can be advantageously replaced by a regime of enhanced autonomy, without changing its general legal nature, and that ceases the mandatory funding through multi-year contracts and possibility of extension to individual organisational units" (PL 275/2013: 2-3)[87].

Thus, it was interesting to notice how the tone of interviewees changed during the interview process. As earlier mentioned, the technostructure interviewees (as well as some other institutional level respondents) initially seemed a bit reluctant and afraid of expressing their general views on their understanding of RJIES. However, as interviews were progressing, and as more specific questions were addressed, interviewees' enthusiasm decreased proportionally to the increase of criticism. In fact, considering that the foundational status is the main difference and 'originality' of RJIES, it seems problematic whether, within a university foundation, the academia members do not feel acquainted with the changes such status entails. This creates uncertainty and thereby hinders institutions' possibilities and freedom of manoeuvre – a feeling expressed by all institutional level

[87] Researcher's translation. Although the Bill to amend RJIES states that the amendments focus mainly on the situation of public HEIs in public administration and the foundational status for public HEIs and their organic units, the document goes beyond that. It reassures the binary organisation of the system; it repeals the specialist status of polytechnics; it revises the responsibilities of the Student's Ombudsman (§25º); it stipulates more accurately the faculty's requirements; and it explains the articulation conditions between social services.

actors in both subsystems. This context of change, historically unique in the country, raises many questions regarding the foundational status, namely how university foundation operates in a context of such economic crisis. Especially institutional level actors with management and teaching roles – middle management actors and academics – referred that they do not feel or know whether the foundational status is effectively in place.

> "I can tell you honestly that, at this point, I don't have a good impression of this. I know that I'm working in a university that has the foundational status, but if someone asks me, I don't know whether we work or not as a foundation. The only thing that I know is that we changed our organic. We have now a completely different organic" (4PUmm).

This is a problematic discussion in Portuguese HE and leads to the debate of other important issues, namely the question of autonomy and mercantilisation of the University, as well as the degree of State interference in HEIs'. Succinctly put, middle management actors and academics envision a situation where a supposed increase of autonomy without the necessary resources will lead to greater state dependency or to whom will have the power to provide the necessary resources the University needs to operationalise its mission. In turn, there was a general feeling among institutional level actors, both from universities and polytechnics, that despite less state intervention and more financial autonomy, the institution is loosing its freedom of manoeuvre. The main rationale for this, "(…) regardless of RJIES, is this complete subversion to the financial system that apparently is forcing universities to lose much of their autonomy" (1PPmm). Thus, if on one hand, the experiment of developing universities' autonomy through the foundational status could be seen as a twofold beneficial process as it would relieve the state's burden while simultaneously encouraging universities to develop different survival strategies through more diversified funding possibilities; on the other hand, the economic crisis swapped these premises:

> "We feel that there isn't autonomy: there is autonomy when there is money, but when one speaks about funding it disappears" (4PUmm).

In this scenario, it is also easy to predict a race for the commercialisation of universities' activities and consequently to resemble them, even more, to entrepreneurial organisations. It is believed that this possibility would be easier to achieve with a foundational university rather than a public institute. Data reveals different positions on this subject according to the interviewees' roles. External members of the university, namely those belonging to the Board of Trustees do not hesitate to refer that

> "Universities should seek extra-ordinary income far beyond that the State guarantees to them. I like the MIT [Massachusetts Institute of Technology] example, where a Professor has only 75% of his/her salary assured, and he/she has to find the rest of the income. This would force the university to open up to the world, to seek revenues and to have research that would show results and that would grant income to universities due to the sale of patents and/or programmes they

would offer" (3PUtm*).[88]

It is not difficult to imagine that these views do not encounter much support from other academics and middle management actors, especially from the *soft* disciplines, who do not agree and/or believe with such transformation.

> "Managing a university is not like managing a bank or a supermarket. Those who come here with ideas of, for example, discarding programmes in the University because there are few students, just like one discards a product from a supermarket shelf because it's no longer sold, this can't be done! I completely repudiate this! Completely! I think institutions need to have people with a social perspective on the value of knowledge, people with a humanised view of society, who can look at the role of universities not merely in a logic of costs and benefits, people who look at this house with a different perspective" (5PUa).

This discrepancy of opinions also illustrates the different viewpoints on the changes of the institutional governance and management model and on how different actors look at the university and to the mission(s) it should aim at. Additionally, it can be concluded – or reinforced by some interviewees' opinions, that the Law 62/2007 was not discussed or negotiated at level of basic units.

> "The commercialisation of HE is a bubble that will burst sooner than later and I'm not sure if the commercialisation of its 'supply' is the *raison d'être* of a university. Maybe it's just a momentary necessity due to the moment we are living, but if it's globally positive or not, I have some doubts" (1PUt).

It seems that the emergence of 'new actors' in the governance structure of the university brought new values and norms to its cultural-cognitive framework. External stakeholders, as they were mainly recruited from the entrepreneurial sector, seem to have introduced in the university the market language and logic. However, the debate on the commercialisation of the University's activities no longer is merely an ideological discussion: it became a topic of paramount importance within Portuguese (and Finnish) academia, as it seems to be an inevitable scenario for HEIs. Whether, on one hand, it is seen as a way to solve and save universities from financial constraints, on the other hand, it confirms the end of the Humboldtian and Newman models of University governance. Consequently, and as most of institutional level interviewees referred, both from *soft* and *hard* disciplinary fields, there are real fears that this strong shift towards *academic capitalism* in Portuguese HE will lead to a situation in which those areas of knowledge without great possibilities for direct economical return will cease to exist, annihilating multidisciplinary basic research. Concurrently, another question surfaces: how can a tool like RJIES be useful if economically sound universities, like the one analysed in this study, lose financial autonomy and risk being treated similarly with other public institutions and universities that are not so careful with their finances? Furthermore, institutional interviewees also mentioned that such situation perverts or invalidates

[88] One should remember that in order to acquire the foundational status, any Portuguese university needs to obtain at least 50% of external revenues.

RJIES' character of fairness, one of its major strengths – as all universities and polytechnics are treated the same way in terms of financial issues. This scenario clearly shows frustration and discontentment by interviewees, regardless of their role and the type of HEI where they work.

> "I think the RJIES has good intentions, but the truth is that we are overshadowed by the current reality, which I think it's a legitimate concern of those who govern universities. (...) A practical question is how things will actually happen? (…) It's not just the financial autonomy that worries me, although it's painful to see universities like ours that, from the financial point of view have effectively accomplished their goals, and did not contribute to the deficit (...), how do they end up to be so highly penalised? This really shows that there are some issues that need revision. All universities are placed in the same bag when it comes to financial matters, and that is highly unfair. (…) I can't see how a university will work properly by losing its autonomy" (1PPmm).

This leads us to inquire whether it is possible to assess or to even talk about fairness criteria in a scenario involving the whole country and almost all sectors of activity. By other words, to what extent is it possible to fully understand and assess this new tool of institutional governance and management, and its possibilities in such a controversial economic, social and political context?

The loss of autonomy appears as the main concern and critique for middle management interviewees and academics that feel tied up in their role, both as managers and/or academics (Diogo and Bruckmann 2015). Indeed, these findings corroborate the idea that more targeted funding has given governments increased steering power over universities, which in turn can hinder HEIs ability to act more autonomously (EUA 2011).

If institutional and financial autonomy are considered crucial prerequisites to overcome the crisis successfully by allowing universities the freedom to allocate their funds strategically, what happens when institutions are tied up by this *blurred* financial autonomy? Top-management interviewees, in a more optimistic tone, mentioned that the law is being put to test in extraordinary difficult situations. In this way,

> "Whether we want to talk in hypothetical terms, it's very likely that within these same budget restrictions, if we didn't have RJIES, the ability for HEIS to face these changes would be even more limited. I mean, faced with the same 'budget breaker' we now have, what would happen to universities if they're still governed with the previous model?" (2PUtm*).

Following this rationale, some top and middle management interviewees also mentioned that considering RJIES strengthens HEIs' top and middle management, providing governance leaders with greater responsibility, the Law promoted more flexible institutions, capable of easily adapting and coping with changes. In turn, it was also referred that as much challenging and troublesome the (economic) environment and the national circumstances are, more expectable is to have stronger leaderships in steering HEIs and their staff:

> "The new legislation introduced another role: the role of leadership and strategic vision of leaders in setting institutions' path. There was a significant change with respect to this" (3PUmm).

This change in the traditional organisational forms of the university, e.g. the foundations status,

represents the political hybridism of the country, or by other words, it is a clear example of steering from a distance, where the government attempts to control public institutions by transforming them in foundations with an *agency* character. Reed (2002) also described this phenomenon as the "centralisation of decentralisation". To a great extent, this study seems to confirm that the NPM intents of turning HEIs more autonomous, was only rhetorical. It can be seen as a way to legitimate the inclusion of more management professionals as a way to change the cultural-cognitive pillar sustaining HEIs (Scott 2001), changing more deeply the culture of the institution.

2.2 Transformations in the organisational structure – The Finnish Case

Differently form the Portuguese university that chose to become a foundation university, the Finnish university analysed here assumed its legal personality as a public corporation, i.e. an institution with independent legal personality – one of the two options recommended by the working group appointed by the FMEC on the preparation of the New Universities Act. As such, Finnish interviewees did not comment on changes in this type of organisational form. Rather, the issue of institutional mergers came out frequently, as well as changes in governance modes and management practices. However, and similarly to the Portuguese law, Finnish universities could also chose to reform their legal status to become private foundations, althouh the name does not follow exactly the same guidelines as Portuguese university foundations. The Foundations Act contains provisions on the functions and administration of the foundation universities, the financing and steering of operations, and university research and teaching, students and personnel (Mäkeläinen 2010). The foundational status was created mainly for Aalto University (in Helsinki)[89] as can be checked in the FMEC website.

Under the new legislation universities will be separated from the state regardless the type of their legal status, although they still are primarily funded by the state and continue to perform the public duty assigned to them in legislation. The main differences between corporations under public law (public universities) and foundation universities lie in their governance bodies (Universities Act 558/2008; Mäkeläinen 2010: 10), although these do not differ significantly. Also the distinction provided by the FMEC on these statutes is not particularly enlightening. A corporation under public law (public university) is defined as a "legal person under the Universities Act whose organs and

[89] In Finland, only two universities became foundation universities under private law: Aalto University and Tampere University of Technology. The Aalto University was established based on the merger of the Helsinki University of Technology, Helsinki School of Economics and University of Art and Design with the objective to be the "innovation university". Most universities, 14, became legal persons under public law. The reasons for this encompass a discussion which goes beyond the scope of this study.

their functions are laid down in legislation", and a foundation university as "a legal person under the Foundations Act which is assigned the university mission in the Universities Act and whose organs and functions are laid down in the Universities Act" (Turunen 2009).

Similar to Portuguese HEIs, there are no major differences in the governance and management bodies of universities with independent legal personality and foundation universities. These institutions share the main management bodies: the university Board, the Rector and "an overall multi-member administrative body" (Universities Act 558/2008). This will be further elaborated (section 2.3).

In parallel, with the New Universities Act, another reform process started to gain shape and substance in Finnish higher education, namely the structural development of the HE system, i.e. the redefinition of Finnish HEIs' network. Succintly put, this means a process of mergers and cuts of public expenditure. The data collected on this issue reflects merely system level views and therefore it is not possible to draw a valid comparative picture of this process. Moreover, the topic of institutional mergers is not the focus of this study.

2.3 Changes in Portuguese Universities' Governance Model

The RJIES changed significantly the governance system of Portuguese HEIs, especially of those that adopted the foundational model. The more critical voices of RJIES called it a technocratic and managerialist reform, which erodes democratic management under the grounds that collegiality does not fit the current complexity of the HE system and it is seen as an obstacle to effective management (Crespo, 2003).

The idea that universities lack solid authority and leadership, and have excessive democracy has been a recurrent discourse of those who advocate a more efficient model, copied from the private sector, whose power would be more centralised. Nevertheless, it is important to clarify that there are different traditions of collegiality (as mentioned in chapter II) and usually (interviewees') discourses tend to blur and/or use the concepts of collegiality and democracy interchangeably. By collegiality, we refer to the governance model usually called professional bureaucracy (Mintzberg 1979) where decision-making is shared by equals – academics – who take management roles only temporarily and have relative autonomy in time, teaching and research management (cf. Tapper and Palfreyman 2010). Decision-making is based on consensus-building, egalitarian environment founded in mutual respect among scholars and good discourse where the best argument wins (Birnbaum, 1988).

Portugal is a good example of a country where the increasing demand for HE and attendance in HEIs led to the emergence of new governance issues and demands related to financial and human

resources. This demographic shift in the national landscape of HE, combined with international pressures for *modernisation* (professionalisation) of HEIs, led some interviewees to report that traditional models of HE governance seem to be "outdated", i.e. the challenges that HEIs face today brought up different concerns and therefore demand new approaches.

> "(…) The governance model that existed in Europe was a collegial one, much dictated by what were academics' primary concerns, namely research and teaching, rather than issues related to the management of the necessary resources to do their work. So now we have different requirements, e.g. accountability. (…) I believe this created a kind of *questioning environment* around HEIs, whether they are being well governed and managed, whether the resources are being well used" (6Ps*).

From this excerpt, several points for analysis can be raised, which were also mentioned by other interviewees, with different roles.

First, the rationale pointed out by this actor makes us wonder whether and how, in presence of the same similar scenario, i.e. more and different audiences attending HE, the strengthening of scientific research, etc., and in the absence of Law 62/2007, how (and whether) would HEIs reform. Around the globe, concerns and attention to how HEIs use their resources has grown. In fact, and at least in mainland Europe, there has been a move towards an archetype where the environment works as a net within which HEIs must be integrated if they want to survive as organisations (Tolbert 1985; Meyer and Rowan 1985; Oliver 1991). In this paradigm, the government should promote institutions' openness to the environment. This was one aspect identified by interviewees, regardless of their role, which justifies and legitimises a change in the governance model.

> "The new legislation introduced rules that open more the university to the outside. A key objective of these rules is to bring into the university management models of business type and therefore, which are seen as more efficient than the traditional models of university management. However, these rules also diluted the traditional concept of the university as a community of scholars and students" (6PUa*).

> "RJIES was an effort made in a certain moment in order to create the necessary tools for a certain type of management" (1Ps).

Thus, it is without surprise that also in Portugal, especially in an environment of resources' scarcity, and at a moment that citizens feel increasingly more disappointed with the governmental (des)performance, pressures for more institutional accountability have grown, as well as attention to everything that includes taxpayers' money.

> "I think that even before RJIES (…) there was already a consensus in shifting universities governance to a less rigid mode, while allowing for a greater diversity in terms of organisation modes" (3PUmm).

It can be said that this growing concern to assure that public resources and taxpayers' money is being properly used to meet HEIs increased needs and requirements, whereas simultaneously assuring that HEIs' demands are effectively and efficiently managed, represents the main rationale for change. Therefore, it would be expectable, or desirable at least, that the new governance model

would include more accountable and responsible institutional leaders, able to take difficult (political) decisions:

> "I clearly think that universities, not only this one, will have to change their structure. By other words, universities will have to make *robust* changes to withstand the situation we are living now. And these changes do not merely concern to reduce the wage bill – there will be changes involving things that impact much more than this – decisions such as: should I keep this area of knowledge or not? Will I continue to support other sectors within the university besides teaching and/or research or not?" (1PUmm*).

In fact, it seems that there is a need, a kind of *pressure*, that HEIs (through their leaders and staff) prove to the Ministry of Education and other supervisory bodies and institutions that they are very well capable of taking care of their internal governance, to critically assess what is wrong and to do the necessary changes. Therefore, it was also acknowledged that in order for this to happen, there should be (some) changes in the way universities should be governed and in the way they relate with civil society. Nevertheless, institutional level actors still feel discomfort with the model chosen, mainly due to two main interlinked reasons. First, they feel that they barely had time to implement the new model and everything that it entails, e.g. the new governance bodies and performance assessment exercises.

> "I don't know if you can picture what happened, but at certain point we take office and we had to solve the situation in a very short time because the law requires us to have a model and we had to do it. And I think that was the best possible model within the short time we had. I don't think we could have done better. Now, we still don't have many results, but we have some feedback (...) and it is a highly complex system" (1PUmm*).

However, it was also reported that considering the circumstances, namely the lack of discussion on the RJIES and the short time given – according to the interviewees' perceptions – to apply the legislation to this university, institutional actors feel that despite this not being a good model, it was the best they were able to put into practice:

> "There wasn't much leeway in the way this process was conducted (...). I think we did the best we could but, in my opinion, this isn't a good model and it can't be a good model! I don't think it's sustainable… This institution just keeps moving forward because it has several people committed to the institution, who feel it, who like it, who live it and who give their best for it! But the reasons for giving the best are fewer and fewer! (…) We might have something good at the end of this process, but we will suffer to get there... I mean, it will be a very difficult transition process, even without looking to all these financial constraints" (6PUtm*).

Indeed, institutional actors with different roles acknowledged the efforts of top and middle management actors in the implementation process of the new governance model, a process that, as it seems to be the tradition, was extremely bureaucratic and time-consuming.

> "If you ask me about the weaknesses of all this process… well the Rector had 57 meetings with the heads of departments to make this model operational! (...) All these meetings plus the visits to the departments; it wasn't mandatory, but still…. It took almost one year" (1PUtm).

The way these changes in the governance model were implemented may be interpreted as an attempt

to avoid a radical rupture with the previous model. Since academics based their cultural-cognitive framework in a collegial model, the Rector designated a specific body and to try to maintain the idea of collegial participation.

One of the possible explanations for the challenging organisation at the internal level relates with the rigidity of the Law, which *formats* every national HEIs in the same way, not taking into account that there is structural and organisational diversity among national HEIs.

> "Here at the university we had some difficulties because the Law was designed for institutions organised by faculties or schools, not by departments. It would have made much more sense to me if they said that institutions should have some bodies or those bodies, but then it would be up to the institutions the way they organise internally" (2PUa).

The second main reason why some institutional actors feel discontent with the new governance model is due to its undemocratic and highly centralised nature. Interviewees justified these views with the separation that exists between the head of the institution – the Rector, and the head of the foundation, who is the head of the Board of Trustees, and with the possibility for the head of the department to concentrate the scientific, pedagogical, administrative and executive power in only one person. In addition, it was reported that at the faculty/departmental level, the discussions of RJIES and the changes it would entail were confined to just a small group of people, a similar argument to what Finnish academics and middle management interviewees referred.

> "I think it's a system very much steered from the top. People are a bit scared about it because it's so undemocratic and we are not used to this yet. Or maybe we think it's undemocratic, but it's just a different democracy, because in fact the departments had all the freedom to create the bodies we wanted within the limits of the law. (…) I think people think they would like to work together, to think about the documents, about the future, about the strategy of the department. I don't know if they would like to, but I would! And there was no opportunity for that and I believe that in other departments the situation was the same. (…) This is my feeling as a Professor, not as a Vice-Rector. It's a pity because I think I have something to say, and now I feel I have no voice in what happens down there, from the bottom to the top, because from a top-down perspective, yes I have power…" (6PUtm*).

Due to the nature of this actor's role, this discourse is quite alarming, especially when the interviewee goes on saying that there is a huge difference in the way the academia participated in decision-making:

> "What I think it completely changed is the way we work. If in the past we worked in a way that we thought it was collegial, now, in fact we feel voiceless" (6PUtm*).

It was indeed one of the main aspects focused during the interviews: the shift from a collegial model of governance to a more managerial one, which is leading to a loss of academics' participation in decision-making processes, and therefore a loss of collegiality in decision-making, combined with less democracy and more hierarchical decisions. The great majority of middle-management actors, academics and administrative staff in both countries shared this concern, as it is also perceived by this quotation of a Finnish middle management actor:

> "University governance has been shared by professors, other faculty staff and students in earlier times, it worked in a collegial basis. Not now anymore. (…) It's more the decision-making: it's much more centralised these days, so there's very little democracy in decision-making, unless obviously you want to have it. It's mainly up to the head of the department" (3FUmm).

However, as explained later on, Finnish interpretations on the new law tend to be milder. It is true that until recently, Portuguese HEIs' organisational structures were based on collegiality with widely participated management and governing boards. Now they are faced with a power concentration in three governing boards (instead of the four to five they used to have) to which a restricted number of representatives is elected from the several university bodies that constitute it (Kauko and Diogo 2011). This is clearly a drift away from the managerial model that had characterised the governance archetype of the Portuguese university. From a governance pattern ruled by professionals (academics), a new model emerges in which professionals have to share the power of decision on university management issues with external stakeholders, coming from different realities and far from academic culture or ethos (Diogo and Bruckmann 2015: 29). It seems thus that collegiality principles might still exist in the academia life, as for example the academic Senate and faculty/department councils, but have been eroded in decision-making processes. The first impact of both cultures, i.e. externals vs. internals, in the same arena might be challenging:

> "Now there must be a learning phase. There is mutual ignorance from people who come from the business world and from people who come from the academic world. (…). These are different cultures. On the one hand, the institutional culture of the university doesn't know well, doesn't deal well with the business culture, but the opposite is also true: business man don't know the difficulties and realities of a university, which are very different from those that companies face" (3PPmm).

A new institutional culture is in place. RJIES is thus perceived as a necessary tool for a particular type of management. It remains to be known, as Tapper and Palfreyman (2010) ask, whether it makes sense to retain the idea of collegiality in such context, as pressures for more efficiency and accountability much enforced by NPM, have overthrown collegiality.

Another issue relates to the types of leadership and power this new model brings to HEIs, an aspect that needs to be analysed alongside changes in the governance bodies. Most institutional actors perceived changes in power and leadership as dangerous for the healthy functioning of the academia:

> "I think this [the loss of democracy and collegial power] is quite clear. It has the advantage of streamlining decision-making processes, of having decision-making processes in which those corporative pressures lose importance, are diluted. But, on the other hand, it also entails the risk of modifying the type of connection to the institution and promoting a certain alienation and/or detachment, e.g. from the academics to the proper functioning of the institution. So now things are more hierarchical, are discussed in a narrower context, there's less participation. Therefore, if there's less participation, there's the risk of having a certain anaemia, sort to speak" (6PUa*).

> "I think we lost something because it [the department's scientific commission] was a body that,

> although it was relatively big in some departments, also due to their size, it was an opportunity to discuss things of interest. I think we lost that panoramic view of what was happening in the department" (4PUa).
>
> "Regarding decision-making processes, I believe that with the RJIES, it has become less participatory and more centralised and also more bureaucratic" (4PPmm).

In turn, one should bear in mind that after 5 years passed since RJIES came into force, and even if the Bill to amend RJIES reports that no main problems were identified in HEIs, still, the Ministry of HE wants to move back from what was so strongly advocated earlier. It is true that the Ministers were not the same: the former Portuguese Minister of HE (Mariano Gago) was in power during four mandates of the socialist party. In total, he was a Minister during 13 years, whereas the Minister that followed him (Nuno Crato) from the social democratic party came to the Ministry in 2011, and his latest policies and measures went in a contrary direction of that of continuity of previous policies. In this case, it is possible to admit the hypothesis that the governance reform brought by RJIES and its unfolding did not happen in a *common* sedimentation/layering process. In other words, despite the change of governments, it would be expectable some coherence and continuity in educational and research policies, not at least to assess exactly what and how it needs to be changed...

2.3.1 (Re)composition of the Governing Bodies and Election - The Portuguese Case

Although described as an overly prescriptive, complex and normative document, Law 62/2007 allowed for some diversification with respect to HEIs' governance bodies and their constitution. Differences in HEIs' internal government and management structures can be *measured* by the possibility institutions have in choosing the total number of members of governing bodies; in the way faculty members, non-teaching staff, students and external members seats are distributed/allocated (Law 62/2007, §97º, §102º, etc.) and in the selecting procedures of governing bodies, as well as their operationalisation and coordination /organisation. In addition, HEIs were left with the option of having or not consultative or advisory governing bodies, such as an Academic Senate, a Council/Commission of Ethics (and Deontology), a Cooperation Council and/or a Disciplinary Committee/Commission[90]. In fact, the most visible example of differences among institutional models relates to the possibility HEIs have of choosing to have or not a Senate or an

[90] The Portuguese university studied here has a Council of Ethics and Deontology, which works as an advisory body to the government bodies of the university in matters of ethics and deontology, e.g. contributing to the definition of guidelines or the establishment and consolidation of a policy of compliance with ethical and deontological principles (Portuguese university statutes 2009, §31º).

Advisory Council (Law 62/2007, IV §77º).

Both the documental and empirical data collected show that the classical bureaucratic way of organising public institutions has given way to a more rational one – also *inspired* by the OECD (2006) recommendations. Generally speaking, and as it has been argued here, the traditional model of universities' governance, traditionally represented by academics, collegial and consultative in nature, has shifted towards a model which places greater emphasis on executive and supervisory bodies, with participation of external members. The presence of external stakeholders in HEIs' top governing bodies was made mandatory by the RJIES and optional for middle management structures (Law 62/2007).

The strengthening of executive and supervisory powers has been a trend in Portuguese (and Finnish) HEIs, as acknowledged by interviewees in both countries:

> "It is clear that every management model needs time to stand out. In the case of this University, for example, time was needed before all RJIES bodies could enter into office and then see how they relate to each other. And there is clearly an effect that was expected and it's becoming evident, which is the strengthening of the executive capacity within this new model, with great emphasis on the Rector's executive capacity and then on the directors of the departments (...). But all this is part of a shift that, for those who looked at it in a hostile manner, obviously they're still not convinced, and those who saw it in a positive way, as it's clearly my case, and considering the times we're living now, I do think we need more dynamic management, with improved performance and implementation capacity, but also clearly accountable for its actions" (2PUtm*).

Academics tend to be more straightforward about this shift in power distribution: I think now the Rector has more power, the Faculty Dean has more power, the heads of the departments have more power and all is concentrated in one person (…)" (2FUa).

Among the changes in HEIs' governance bodies proposed by the RJIES, the elimination or the facultative character of University Senates (*Academic Boards*) embodies one of the most symbolic *innovations* of the Law. Academic senates were the emblematic body of the truly decision-making collegial model, including representatives from all academic groups – teaching/research staff, students and non-teaching staff – and among all faculties/departments/schools of the institution. The importance of the Senate derived from its obligatory advisory role to the Rector's academic decisions, considering that all groups had a word to say on academic matters (Carvalho & Bruckmann, 2014). Moreover, as the authors explain, its symbolic nature could be seen as a strategy to gather academics' support to organisational change. However, with RJIES, the Senates lost deliberative power, having only advisory functions and in some cases disappeared – as it is the case of the Portuguese university of this study. At this point, it is important to refer that the organisational structure of HEIs' governing bodies depends much on the history, culture and traditions of each institution. Thus, whereas in the University of Coimbra, founded in 1290, the oldest of Portugal and one of the oldest in Europe, "it would be unthinkable that the Senate ceased to exist!" (2Ps*), the

same does not hold true for the university analysed here. Being a more recent institution, founded in the 1970s – and therefore without such a traditional and symbolic weight, and which also integrates polytechnic schools, this institution distanced itself from a governance archetype connoted with antiquity, and used the possibilities for innovation allowed by Law 62/2007.

According to the CRUP, the fact that the Senate disappears or that it assumes a merely advisory role was one of the major disagreements among Rectors, as the Rector is now the executive head of the university. Additionally, it was reported that quite often Deans complained about the impossibility of doing certain things because the Senate did not allow them. With this redefinition of powers, hardly these situations or *excuses* would come out. However, as the following academic explains, by solving this constraint, another problem was created with the blurring of functions between the Rector and the GC.

> "The truth is that much of the power comes from the Rector: if he didn't do something, that's his problem, that's how things are. But then having a body to oversee him, the GC… It's a kind of a general body that on the one hand, it gives him more power, but on the other hand it regulates that power. So, I don't think this left Rectors happy on the division of powers" (2PUa).

Interesting is that, by abolishing the compulsory existence of the Senate, the RJIES took the 2006 OECD recommendations even further, once that in the OECD report, the Senate is described as the seat of academic governance. "While representative of the academic community and elected it should not be a large body; perhaps its membership should not exceed 25" (OECD 2007: 68). These members would include different categories of Professors and researchers, with an affiliation to research units and/or associated laboratories classified with excellent or very good, and a maximum of three students (OECD 2007). Thus, at the present, Portuguese HEIs are faced with a power concentration in three governing boards instead of the four to five they used to have: the Rector (and the Rector's team), the University Assembly and the Administrative Council, in which case the University Assembly was replaced by a smaller General Council (GC) and to which a restricted number of representatives is elected from the several university bodies that constitute it. However, there are no major differences between the two possible institutional governance models imposed by the RJIES, as can be seen in table 17. HEIs in the regime of public institute and foundation universities share the main management bodies: the GC (*Conselho Geral*), the Rector and the Management Board (*Conselho de Gestão*). Foundation institutions have an extra governing body: they are to be governed by a government-appointed Board of Trustees (*Conselho de Curadores*). Administrative councils have also been replaced by management boards that have identical functions, i.e. they are responsible for the administrative and financial management of the institution, as well as human resources management (Law 62/2007, §95º).

Table 17 - Governance Bodies of Portuguese public HEIs before and after Law 62/2007

Autonomy Laws 1988 & 1990		Law 62/2007	
Public Universities	Rector University Senate University Assembly Administrative Body	**Public Universities**	General Council Rector Management Board
		Foundation Universities	Board of Trustees General Council Rector Management Board
Polytechnics	President General Council Scientific Council Administrative Council	**Polytechnics**	General Council President Administrative Council

By changing their legal status from dependent state institutions to a self-administered public body, the function/authority of the supervising state is transferred to the foundation (Palandt 2003: 182). The Board of Trustees is constituted by five external individuals appointed by the government on the proposal of the institution for a five-year mandate, which may be renewed once only (and may not be dismissed by the government without due cause). In this way, the executive power is attributed to a single body, constituted exclusively by externals to the HEI, whose duties are not compatible with any other concurrent employment (simultaneous binding) relations of the University (Law 62/2007 §131º; *Portuguese university* statutes 2009 §9º). By crosschecking the RJIES with the university internal statutes, namely the points referring to the administration of a university foundation and the competences of its governance bodies, it is possible to state that HEIs followed what was stipulated by the Law. As follows, the main responsibilities of the Board of Trustees are: i) to appoint and dismiss the Management Board on the recommendations of the Rector, Director or President; and ii) ratifying decisions of the GC on the appointment or dismissal of the Rector, Director or President. In addition, the following powers/competences of the Board of Trustees are then similar to those of the GC (Law 62/2007 §82º, 2). Examples of these are the approval of medium-term strategic plans and the plan of action for the four-year mandate of the Rector/President; the approval of general guidelines for the institution contained in the scientific, pedagogical, and financial or asset plan; the approval of annual plans of activities and assessing the annual report on institutional activities; the approval of budget proposals and the approval of the annual consolidated accounts, accompanied by the opinion of the statutory auditor (*fiscal único*).

The Board of Trustees of the Portuguese university is constituted by four men and one woman. The gender imbalance confirms the predominance of man in top (and middle) management positions in Portuguese Universities (chapter V). Such disparity in the numbers of man and women working in a university (public institution) in Portugal can be explained, among other factors, due to a lack of equal opportunities in the legislation and even of plans of Affirmative Actions. Contrary to Finland, a country characterised by a tradition on equality measures, and where gender equality is

regulated through the 1986 Act, Portugal has no specific legislation on this. Only general principles can be found in the 1976 Portuguese Constitution and some EU recommendations. The Finnish Constitution defined discrimination between men and women as placing women and men in different positions on the basis of gender (Law 609/1986 §7º). Besides prohibiting sex discrimination, the Act also imposes on the employer *duties to promote equality*, like creating equal career opportunities, adjusting the working conditions suitable to both sexes, etc. (amendment 232/2005, §6ºa).

The second highest governance body of foundation universities democratically constituted is the GC, as recommended by the OECD. For universities that remained public institutes, the GC is, at the present, the highest governance body and the highest democratic representation of the university. It is constituted by 15-35 persons, depending on the size of each institution and the number of its schools and research units (Law 62/2007 §81º). In the initial version of RJIES (Bill) this number varied between 10-25 members (Government of Portugal 2007 §81º). The president of the GC is an external member, as recommended by the OECD. At least 30% of the GC members must be external. Nevertheless, academics still hold the majority of seats (>50%), and students secure ≥15% of seats. Under the terms of the statutes, the GC may include members elected by non-academic and non-research staff. While external individuals are co-opted, all the other members are elected. After analysing the nature of public Portuguese universities' GCs, the study of Pedrosa et al. (2012) and Bruckmann and Carvalho (2014), concluded that there is some diversity in the choices public universities made regarding the size and composition of the GCs. Whereas the great majority of institutions (15 universities) chose a GC with medium dimensions, i.e. 19 and 25 elements, only one institution chose to have a GC with the minimum number of elements allowed by the Law (15 people), and also only one institution chose to have the maximum number of elements (35 members). With respect to the GC's composition, the authors also refer that a significant number of institutions does not meet the minimum number of external elements required by the Law, and a similar situation can be observed regarding the representation of students (Pedrosa et al. 2012). Thus, a main change is that the actual/current GC has now fewer members than those belonging to the old Senate or the University Assembly (*Assembleia Universitária*) and they represent the different groups of the academia. The interviewees' perceptions are straightforward on the difference between the old Senate and this new governance body:

> "In short, I think the main change has to do with the overall governance of the university: the GC which is a completely different body than a Senate or an Assembly of a University, with a greater preponderance of external elements to the university" (3PPmm).

Taking this, one can say that the GC was the main structural change used to transform the dominant model of bureau-professionalism in universities. In this sense, it is also a relevant element in the

transformation of the dominant norms and values inside these institutions.

The external members of the GC should be, according to RJIES, "Individuals of recognised merit who have the relevant knowledge and experience but who do not belong to the institution" (Law 62/2007 §81º, 2c). External members are co-opted by the representatives of academics and researchers and the student representatives; by absolute majority, under the terms of the statutes, based on justified proposals subscribed to by at least one third of the members (*ibidem*, 5a). According to RJIES (§81º, 8), the mandate for elected or appointed members is 4 years, except in the case of students for whom it is 2 years, and they may only be dismissed by the GC on the basis of an absolute majority decision in the event of grave lapses under the terms of the regulations of the Council. However, although students have representation in the choice of external members, they do not have right to vote in the meetings of the Council (a main difference from the Finnish Universities Act, where students still hold this power)[91]. In addition, the Law stipulates that the members of the GC neither represent groups nor sectarian interests and act independently (*ibidem* §81º, 9).

The GC of this Portuguese university is constituted by 19 members (5 women), of which 5 are external individuals and 1 non-teaching/research staff element. It should also be mentioned that, despite RJIES allows for some freedom in constituting HEIs' governance bodies, due to the nature of the Law, namely its excessive normative character, one of the reasons why there is a single GC in the university is because the Law did not consider that there are Universities that integrate polytechnics and/or are not organised into faculties. For example, the university of this case-study chose to set up a single set of mandatory governance bodies as demanded by the law (namely a single GC) for both the university and the polytechnic schools (Diogo and Bruckmann 2015: 34).

> "The RJIES is so regulative that everyone gets stuck. Now we are all equal, but we are all tucked inside a straitjacket!" (2PUmm).

The GC's main powers are the election of rectors/presidents, the approval of planning, budgets and the creation and extinction of basic units (*ibidem* §82º). The GC is thus a major and mixed body: it withholds the powers that belonged to the Senate and it elects the Rector. In this way, it became a government body/agency and simultaneously a body open to the external environment. According to some interviewees' perceptions, the GC aims at governing for the outside and for within the University.

> "Universities have grown and evolved and this implies a new governance model. In some situations it became more difficult because we have decentralised more, but what's most important

[91] In their recent study Bruckmann and Carvalho (2014: 9) point out that the University of Coimbra has one of the lowest participation of students in the CG. Curiously, since its creation, students had a great power in the organisational structure of this institution. "Throughout history students sometimes even played a decisive role in the Rectors election (Estanque 2008)"

> for me is (…) to have a GC with a reasonable number of people who provide a valuable contribution for seeing differently the university and its role in society" (4PUtm).

The complexity of the Law 62/2007 is also translated in the hybridity of powers and responsibilities of the GC, i.e. a mix of electoral, strategic and supervision powers.

> "The law was made pending a bit to the right and tending a bit to the left... What happened, then? One couldn't define what a GC is. Is it a strategic body to guide the university or a supervisory (inspection) body of the Rector? There's this ambiguity. If it's meant to be a strategic body, there are few external members; if it is a supervisory body of the Rector, they are too many. There shouldn't be so many watchdogs for the Rector, right? In my opinion, knowing the leaders of the country and knowing that many of them don't have time to be in the university to contribute, because they obviously have their jobs and their business, I think the GC should be a strategic body and then, it would be good to have a great number of people contributing with their opinions so that they wouldn't be demanded to attend many meetings. (…) There's a lot of bureaucracy in GCs, which is not of interest to them and so, they get wondering: 'Am I useful here?' And this is the worst that can happen" (5PUtm).

At least for top-management interviewees, it was perceived that there is still the need to create conditions, namely a clear division of functions and enhanced autonomy, for the GC better perform its role. Thus, in the same way interviewees see RJIES as an ambiguous law – although acknowledging the difficulty of doing something new and useful, given the national context and culture – other institutional level actors criticised this grey zone or *middle* position of the GC:

> "I can imagine how challenging it must be, trying to make a system that, without implementing major disruptions, requires external individuals in governance bodies. So, we stood midway between other models: in England boards are composed solely by externals, and here we have a mixed situation in the GC where the participation of external members is not dominant, but allows for some openness"(3Ut).

Generally speaking, views on this new governance body are positive, although the nature, size and composition of the GCs are topics where it is challenging to reach consensus due to multiple interpretations and critics. However, the great majority of interviewees, regardless of their role and type of subsystem they work in, expressed great consensus with the existence of a decision-making body with fewer people than the old Senate, which was a body where all PhDs members of the institution had a seat[92]. The rationale for being in favour of a significantly smaller decision-making body relates with perceptions of increased effectiveness, as already demonstrated in the study of Amaral (2003a). As the following citations show, some interviewees performing different roles feel that there were too many people in these *forums*, making the decision-making process more time-consuming and more complicated to reach consensual decisions and solutions:

> "That [the Scientific Council] was a more democratic body as it allowed for the participation of

[92] In those universities with a traditional organisation into faculties and departments, most of them had a Senate – a governing body at the central level and then, at the faculty level, there were Scientific Councils. The Portuguese university of this study does not follow a traditional faculty arrangement, basic units are organised around university departments and polytechnic schools in a matrix structure. Therefore it had Scientific Council for the whole institution, and not a Senate.

more people, all departments and scientific areas were represented there. But was it efficient? No. There were a lot of people and nobody read the papers before the meetings. So what happened there, where there were all the Doctorates of the university? Meetings with 600 people or even 700 people! Can you imagine that? It was unthinkable! What happened was that 10%, at best, read the documents, others were talking and others were checking when they should or could leave. So, if you ask me, no, they weren't efficient bodies. What happened, eventually, was that if someone disagreed with something they could intervene, which is something that doesn't happen now because the bodies are smaller and not all scientific areas participate. (…) I think smaller bodies tend to be more efficient. They lost representativeness and democracy but, on the other hand, they are more efficient (…) (3PPl).

"I think that what people can complain about in some cases is that they are not listened so often, but the decision-making process is much more correct! And that was something that was absolutely stuck, it killed everything! We used to spend hours and hours in mandatory meetings! We had a Scientific Council with hundreds of people! Can you tell me how do you discuss something in a Council with hundreds of people? And then we had committees, commissions, "itchiness"[93] as I used to call it. (…) I'll give you an example: there is nothing in the Law that obliges the Rector to meet with the Deans, but it would be stupid not to do it, right? Because there is a decision-making body that is the rectory, then we have the Deans or the Directors of Departments, and then it is necessary to have a place of consensus, of communication and of (more) coordinated management, so that decisions can be shared, appropriated and widespread. So the Rector meets with the Directors of the Departments monthly. It's not mandatory, but there's need to find places and time for strategic management. To make this mandatory is likely to create conflicts and an excessive number of meetings, so I think that the decision-making process is bureaucratically more correct now" (4PUtm).

"There is clearly a certain distance to the central management, but not so much at the intermediate and departmental management. Now, the truth is that the CG is something distant from most of us, who are completely alienated, isn't it? However, the GC is the highest decision body here at the university, right? But... I don't notice a loss of democracy. What I see is a greater centralisation, but I think it was also inevitable, considering even the size of the department. I mean, even before the Bologna process we had to reorganise the department to have more restricted forums of discussion and deliberation because it was not possible with the number of faculty members the department has to be doing this in the Scientific Council or in a scientific committee" (6PUa *).

In sum, due to their experience, interviewees feel that although the previous model allowed for more representativeness and democracy, it does not necessarily imply or equals more conscious and valuable participation of all members.

"The members of this Academy have fewer forums to meet. I repeat: *to meet* [interviewee emphasis]. There was also in those forums the possibility of decision-making, but the size of the body did not allow for conscious decisions. For example, in the Scientific Council with 600 people, it's impossible to take informed decisions. Especially because people went to those meetings, around 3 per year, doing other things. (…) When I started to be a member of the Scientific Council, there were 60 people, but it has been growing and in recent years the Scientific Council had more than 600 people! (...) In a room of 60 people you can talk and discuss things, but not with 600! And because people were there many hours, they were doing other things. Therefore, a body of this nature, with so many members, and where people are forced to be but which doesn't allow for the participation of each person, few are those who get really engaged. When one says that there are fewer opportunities for discussion, it is true, but I question about the value of those

[93] The interviewee uses originally the word "comichão" (=itching), which is a mixture of words between commissions, and meetings in Portuguese. The word *itching* works with a double meaning here, reinforcing the satisfaction of the interviewee of having to get rid of such types of meetings.

bodies because, in fact, they did not represent any interventionist power" (5PUa).

> "I don't know whether there's less democracy because representation has much more to do with the commitment and efforts that people take to do their tasks rather than with the possibility they have or not to speak, because we all have the possibility of talking (2Ps*).

The rationale mentioned in favour of this body is common to most interviewees: the fact that *external* people to the university can question the institution about what it does and how it does it, with different perspectives and viewpoints of the same issues, can only be fruitful. The opening up of the HEI to external individuals from various sectors of society modified the institution's *modus operandi*, as well as the collegial balance that existed in institutional management. "It caused, a small revolution within HEIs, especially in those that had never had external participation in their strategic definition, in their strategic decision-making bodies" (5Ps). Moreover, it was argued that too bigger bodies do not allow for streamlining processes and that decision-making is easier to achieve with fewer people. The most counterproductive aspect associated with this relates with the absence of intermediate structures. Interviewees with management and teaching positions and/or both complained of "not having a connection point where all heads of department have a seat" (3PPl), i.e. the lack of a connection body between the central government level of the university and the departmental/faculty level. However, institutional level interviewees also acknowledged the fact that the Rector of the Portuguese university of this case-study maintains frequent (informal) meetings with the heads of departments and polytechnic schools, in order to fill this gap and allow for better and more flows of communication among the key actors of the institution. In fact, in order to start the operationalization of the Law 62/2007, the interviewed Rector of this institution referred that he had 57 meetings with the heads of departments and polytechnic schools and conducted several visits to these units. In his own words, *institutionalising* the new governance model summarises the activities of his first year as a Rector. Nevertheless, in parallel with these favourable views, it was possible to denote (again) in interviewees' discourse some frustration when they put Portuguese politics and society in perspective with HEIs' life. As it was already mentioned, there is a certain disappointment with the fact that the initial version of RJIES did not go further, once it included a higher percentage of external individuals in HEIs.

Regardless of interviewees' role, there was a general feeling that the reduced number of external members in the GC might not allow for a fully *exploitation* of all their potentialities, leading to a situation which can even pervert their mission at the institution.

> "I personally think that the participation of external members in governance bodies is positive because they bring a different perspective, they have a different view. But the percentage is minuscule when compared with what happens in England, for example (…), academics here still have the majority of seats (...), externals are the minority, they will never win when voting. (3PPl).

As academics (still) have more than 50% of seats, some interviewees believe that their role is not

particularly outstanding. As can be seen by interviewees' identification, this is a recurrent idea among institutional actors from both HE systems performing teaching and management roles. At least in each group of actors (middle management, academics and lecturers), we could find a common classification for external members and/or their role – "decorative".

> "I'll give you a generic answer regarding what seems to me to be the contribution of the external members in general, either in the GC or in the Board of Trustees and even on the Departments' Boards: it's useless! People rarely get involved. It's basically a gravy train that sounds nice, that looks beautiful in the curriculum, but people do not engage. Well, I'm talking in general terms, I'm not referring specifically to this GC where I know that there are some people that get involved; but in general, external members do not care, they have their things, their lives which occupy their time and this is just a detail. Therefore, I don't think that the participation of external members is that important, or effective and so relevant. Also, the time does not allow for doing everything we would like to…" (1PUmm).

This does not mean that respondents do not appreciate this change. For example, on the other side of the spectrum, from top-management roles to administrative positions, interviewees quite welcome the presence of external members and have a favourable view of their role.

> "(…) There is a question that the new legislation introduced on university management and which I think is a healthy factor for universities: to open management bodies to the participation of external members. The value that a person such as our President of the GC brings to this university is immeasurable due to his different experiences, his vision of the world, the fact of being here and questioning about the processes and contributing with his own culture and experience accumulated over a lifetime, this is priceless and it didn't exist in the previous legislation. Universities' management before this legislation was closed over itself, it didn't have this wealth" (3PUtm*).

> "One point that seems very positive is the integration of people outside the university in the bodies of government. Of course that this university was always very open (and I'm already here for 28 years) to the business environment, to companies, to municipalities. But with the RJIES, these people, the outsiders came here and they are in various bodies of the university, participating in the university life! They are people a bit controversial sometimes, but they have been intervening and bringing the university's outside world to within the university. I think this is very positive" (4PUa).

Somehow, these results confirm the conclusions of previous studies claiming for the existence of hybridism in the way academics react to changes in HEIs (Carvalho and Santiago 2010b; Bruckmann and Carvalho 2014).

These actors, who can be classified as more aligned with the managerial ideals, see the presence of external members in such positive way that they tend to look at them as a kind of "saviours of the university" or, at least, as someone who can help in solving some institutional problems, e.g. financial, enhancement of their status and external visibility, etc. It was interesting to observe that some external members themselves perceive the vision they create about their presence on the academic community:

> "I would like to make it clear that the role of external members is not a paternalistic role towards solving the problems of the university. It should be clear that one thing is to contribute with our

> experiences to help the institution to gain momentum and confidence in itself to open up to the world and conquer markets and to be able to sell its skills and be useful to society. And in this way there is return of our contribution here. Our contribution cannot be to solve this, but rather to propel/push this forward" (3PUtm).

A similar view is also portrayed by a Finnish system level interviewee who acknowledges the possible role of external stakeholders in contributing financially to the institution in which they are involved in.

> "I think the picture is also that outside stakeholders want to be more involved, they want to have their position in the board of governance bodies of HEIs, but in turn it is also expected in the future years that they also contribute financially to the university so, I think that's a big ongoing change" (1Fs).

There were other two aspects that interviewees tended to refer during interviews when the subject on the governance bodies and the presence of external members was addressed. First, different interviewees reassured that the importance of the external members' role depends much on the type of people chosen and their commitment with the institution. Although there were some interviewees who doubt of the efficiency and importance of external members, or that even showed some disagreement regarding a more corporate vision external members (might) have for the institution, among the 31 interviewed actors, no one expressed directly disagreement with their presence and/or their activity.

> "My opinion on the external members was very negative... because people were not showing up, or being motivated, except those who were academics external to the institution, because they are used to this generosity of academics… I was really concerned with what would happen with the GCs. Fortunately, it was very different, because with the powers the GCs have, and I know several cases, institutions chose good presidents and people committed, they engaged (…), they require a lot from the institution and I think this is very important. There are even cases that they are clearly influencing the election of the Rector, which is also positive for the Rector so that he won't govern only oriented to within the institution. So, globally, I think it was positive" (5Ps*).

This last aspect mentioned in this citation relates with the second aspect frequently mentioned by system level interviewees as well as top and middle management actors: the GC election process and *timing* of its constitution. When the GC is constituted before the election of the Rector/President (considering that the Rector/President is now elected by the GC), there might be a risk that the GC is associated with the process of choice of certain candidates. Thus, in the view of some system level actors, when the GC precedes the Rector's/President's election,

> "(…) the GC is already marked by a kind of primary election of the Rector or the President. Therefore, the main problem of RJIES with respect the GC is that this body doesn't represent the best people of the institution because it might be marked by a kind of primary elections according to lists that are affected to this or that candidate. In this case, the choice of external members will also be subject to that because one will choose externals that reflect the choice of the majority. For example, I know some institutions in which the difference of the elements assigned to one or another application is relatively small, but as there is an election for the appointment of external members, external members are then all assigned to that list, and this, in

my opinion, hijacks the Law. (…) " (1Ps).

Most system level actors expressed their concerns with respect to the process of selecting the GC members. The fact that external members are co-opted by absolute majority of representatives of teachers, researchers and students, "under the terms of the statutes, based on justified proposals subscribed to by at least one third of the members" (Law 62/2007 §81º, 5) creates doubts regarding the transparency and neutrality of the process. Likewise, the process of selecting the internal members through election by list also raises doubts on the eligibility of unit directors, or holders of other governing bodies whose presence at the GC is likely to generate conflicts of interest.

> "The original RJIES was well conceived because it allowed the designation, not the election. I still don't know which system is better – the election or appointment. I possibly agree more with the election, but I think that those who drafted the RJIES didn't know what the election means, because if they did, they could, perhaps, have designed differently this issue of the GC" (1Ps).

Although not explicitly stated, interviewees fear the existence of conflicts of interest in case of not being possible that GC members have a seat or direction roles in management functions in other bodies and/or HEIs. Therefore, the process of electing the GC should not be bound to any specific candidate so that external members can be chosen by consensus, based on disinterest and neutrality towards *individual agendas* and/or vested interests of the CG members. This is why some system level interviewees refer that a good and proper process of the GC constitution and functioning is not uniform, depending much more on the situation and on "(…) the internal elements that were chosen because the external elements depend on the election of the internal elements" (1Ps). A possible classification to describe this potential (mis)use of external members in the GC and other governance bodies would be as "facilitators of change" or "political friends". Probably, Magalhaes and Amaral (2000) would have called them the "imaginary friend". In fact, relating with the political interests in the constitution of the GC, system level actors frequently referred to the importance the election of the Rector/President had for this body.

> "The GC was much more seen, it was much more organised around the election of the Rector and very little around the concern to manage, to govern the university. (...). And he [the President of the GC] was quite angry with that, because he thinks that people in the Council intervene very little, and that's actually true!" (2Ps*).

The fact that the Rector is no longer elected by all members of the University's Assembly on the basis of universal suffrage – as s/he is now appointed/selected by the GC, it is understandable the attention placed in this new mechanism. Candidates can be Professors or researchers from the institution itself or from other institutions, national or international. The process to select the Rector is preceded by public notice of the calls for proposals, the presentation of each candidate, and the introduction of the candidate's action programme in a public hearing. Then, the Rector is chosen according to the number of votes he/she gets, by secret ballot of the GC. This means a significant

change in the selection of the main representative of the University.

With respect to the division of powers and allocation of responsibilities, it is interesting to see that on this issue, and following the political scientist Rod Rhodes (1996; 1997, Chapter II) the OECD makes a distinction between governance and management, where it clearly states that the former should be left exclusively under the purview of the Board/GC, whereas the latter should be Rector's responsibility.

> "Governance involves the responsibility for approving the mission and goals of the institution; for approving its policies and procedures; for the appointment, review, and support of its president; and for informed oversight of its programmes, activities, and resources. Management, in contrast, involves the responsibility for the effective operation of the institution and the achievement of its goals, within the policies and procedures approved by the board; the effective use of its resources; the creative support of the highest standards for teaching, research, and service. The responsibility of the board is to govern, not to manage" (OECD 2007: 154).

2.4 Changes in Finnish Universities' Governance Model

The Finnish Bill (Draft Law) also applied the OECD recommendations and proposed a model which went on to reform universities' management and decision-making processes, to change the tie of university staff to the State, i.e. civil-service employment relationships became contractual employment relationships, and, according to the FMEC, the new law enforces an administrative model for stronger autonomy. These were also the topics that key actors discussed more during interviews.

The Law 558/2009 (§13º) stipulates that universities would have a Board (*Hallitus*), a Rector (*Rehtori*) and a University collegiate body – University Collegium (*Yliopistokollegio*). The University may also have a Chancellor and other bodies, according to each university regulations/statues, a fact that denotes universities' increased "latitude" in their internal affairs. For example, the Finnish university analysed here has, in addition to these bodies, a Director of Administration, an Internal Auditor, who assists the Rector in university management, by supervising the instigation and enforcement of matters which fall under the jurisdiction of the Collegium and the Rector, and a General Counsil, which assists the University's management in legal terms (Finnish university internal regulations 2013).

The highest executive body of public universities, the University Board, now consists of 7 or 9-14 members, of whom at least 40% are external stakeholders, the rest being comprised of Professors, other teaching and research staff and other personnel, and students. The external members must represent a wide range of expertise in the sciences or arts in the field of operation of the university (Law 558/2009, §15º).

Figure 14 compares the governing bodies of both Portuguese and Finnish universities after the

implementation of the new laws. When compared to the GC of Portuguese Universities, Finnish Boards are smaller bodies with a higher percentage of external members. The composition of the Board and its term of office are decided by the collegiate body, which has a maximum of 50 members and includes representatives of the three groups. The group constituted by Professors, research staff and students is elected by a University community group, as provided in the institution regulations. It is also responsibility of the Board to elect one of the members of those 40% externals to the university as its chairperson and one member as its vice-chairperson (Universities Act 558/2009 §15º, 7).

One should notice that the new governing structure created new positions in the university, such as "vice-rectors, financial officers and a joint committee on financial matters, including outside experts from business, which is typical from the business world" (2FUtm) and represents a shift in the way Finnish HE is now steered, namely with a focus on more professional management. As the same top-management interviewee replied,

> "When there are more responsibilities/requirements, there should be more alternative ways to organise your processes and more possibilities to reward personnel when they succeed. I fear that this will be regulated also in the future, so micromanagerialism will remain" (2FUtm).

This was the only interviewee among the top-management group of actors that showed visible concerns with the new legislation and clearly *admitted* this strong shift in Finnish HE to a more competitive and business-like model of governance.

The University Board is the highest decision-making body of the institution and, in the case of this Finnish university, consists of 7 members who also have management functions. Succinctly put, it "(...) defines the university's key operational and financial targets, strategy and management principles" (Finnish university statutes 2014). In order to facilitate its work, the Board may also appoint committees that need to report directly to the Board. This body meets the University Collegium at least twice a year (Finnish university statutes 2014).

The Board of a foundation university shall have 7 members, including the chairperson and the vice-chairperson, who must be external to the university.

The multi-member administrative body of a foundation university is rather similar to the collegiate body of a public university and selects the rest of the board after consulting the founding partners of the foundation university. The chair and vice-chair of the 7-member board must be external to the university. The administrative body selects the rest of the board after consulting the founding partners. In addition, three members who are not state representatives must be selected among the appointees suggested by the founding partners. The Rector is elected by the Board and has approximately the same executive power as rectors in public universities (Law 558/2009, §25º, §26º).

The Rector is elected by the Board for a maximum term of 5 years and holds the main executive power (Law 558/2009), as it is also the case of the Rector in the Portuguese RJIES. The re-formulation of the Rector's position is in fact one of the most significant changes brought up by the New Universities Act. Whereas earlier s/he was elected by the university community, now "the Rector is more like a chief executive officer, like in private companies, responsible to the board" (2FUtm; Välimaa 2010).

The University collegiate body or University Collegium shall include the representation of all university community groupings (as in the Board). The number of members from any of the groups may not exceed half of the total number of members in the university collegiate body. The number of members and the term of office of the university collegiate body and the number of persons belonging to each constituting group are laid in the university regulations. The university collegiate body shall elect a chairperson and a vice-chairperson from amongst its members. The collegiate body has competences on the creation, selection and dismissal of members of the Board as well as on the financial control of the institution (Law 558/2009, §22º). A *traditional* example is the Finnish university of this case-study where the Collegium has 30 members, "each of whom has a personal deputy. Of the members (and also of the deputy members), 10 represent the Professors, 10 the teaching and research staff as well as other staff, and 10 the students of the University" (Finnish university statutes). The Collegium's term of office is 4 years, but the term of student members is 2 years. These students are elected by the student union of the university. As explained earlier in chapter IV, the importance of students and student unions in Finland has no comparison with Portugal. Their role in HEIs life is still determinant and active in HE. Table 18 compares Finnish HEIs' governance and management bodies during the Universities Act 645/1997 with the latest Universities Act.

Table 18 - Governance Bodies of Finnish HEIs before and after the *Yliopistolaki* 558/2009

		Management Body/ Board of Directors	Executive Body	Academic & Decision-making Body
Law 645/1997	**Universities**	Rector (& Vice-Rectors) Elected for 5 years, by a university electoral college	University Senate* Presided by the rector; + representatives of the following groups professors and associate professors (these shall constitute less than half of the total membership of the university senate; + other teaching and research staff and other personnel; students.	Multi-member administrative bodies for the development of teaching and research; the assessment of study attainments and the nomination of candidates for professorships and associate professorships

	Polytechnics	Rector/Maintaining Organisation	Rector	Polytechnic Board /Maintaining Organisation
Law 558/2009	**Public Universities**	University Board	Rector	University collegiate body
	Foundation Universities	University Board	Rector	Overall multi-member administrative body

* Both the University of Helsinki and Åbo Akademi University had a Chancellor. Other universities could have a Chancellor, if they wished so, under provisions enacted by decree.

Source: Universities Act 645/1997; Universities Act 558/2009; Eurydice 2008.

Similarly to what happened in Portugal, one of the reasons put forward by interviewees in favour of the New Universities Act relates with the presence of external stakeholders in universities' governance bodies. This was a quite politicised aspect of the law and gave room for much discussion during the preparation time. By applying the OECD recommendation(s), the Law 558/2009 proposed a model in which governing bodies of public universities should be composed essentially of external members and that foundation universities should only have external members (Government Bill 7/2009). This suggestion became a contentious issue in the Parliament as it was considered unconstitutional and was overruled by the Parliamentary Committee for Constitutional Law, responsible for the *ex ante* constitutional evaluation of laws. Four Deans of Law Faculties pointed out that the Law was 'technically problematic'. Deans were critical of the lack of a hearing from those drafting the new legislation and the apparent absence of consultation with the Ministry of Justice and/or Finland's Supreme Court. Generally speaking, the interviewees feel that the idea of having external members in the university governance bodies changes the idea of institutional leadership:

> "The idea of how to lead a university has changed much, because there are these external members in the board and it is a big social debate in many ways" (4Fs*).

> "The four Deans of Law departments formed a group and they were able to introduce some changes in the University Law. Because the main big change now in universities' governance bodies is that there are less than 50% outsiders. But, in the Bill it was the other way around: the majority of the University Board would composed of outsiders and the minority would be academics. But actually, they were able to change it to the other way around (…). That was very interesting because they actually pointed to the basis of the Constitution of Finland that says that Arts and Research have academic freedom, freedom of teaching and research. They said that if there will be a majority of outsiders in the governance bodies, then academic freedom would be threatened. I don't know if that was a valid argument, but it was interesting. Some people were able to push through some changes. It was a democratic process yes, very much (…) There was compromise. In the end they were able to find a solution and implemented it" (1Fs).

At the system level, and at least with respect to the presence of external members in universities the developments and outcomes of these discussions were considered fruitful. Also academics belonging to other disciplinary fields than Humanities and/or Social Sciences believe that the Board should not be constituted by a majority of externals:

> "I think almost half of the members are external. I have understood that they were actually able to bring something new, not being useless. But I think that we also need representatives of the personnel of university in the senate and if you include students, then more than half of the senate members should be actually from inside of the university. That's my opinion, so I would never imagine this senate consisting of all the people from outside the university" (4FUa).

This *positive* attitude towards the external members, although keeping notice on the fact that governance and management of the institution should not be left only to external members, also reflects the interviewees' perceptions on how Finnish HE and HEIs' governance is being changing. In fact, it was possible to denote some concerns regarding the actual governance model. One of the reasons or possible explanations for the importance attributed to the presence of external members in Finnish universities' bodies is the awarness actors have on the need and/or inevitablilty that universities are changing to more "business-like institutions":

> "The Chair of the Senate Board is an external member of the academia, and I see that this can be a great opportunity also to prove the connection between external stakeholders and the universities, but it's still too early to say if it will work like this, or on the other hand, if it will change universities to a more business-like management and so on. It's one big change that we have – the impact of external stakeholders is bigger" (5Fs*).

Alongside with this, other aspects indicating changes in this direction were pointed, namely relating with funding issues, as a top-management actor listed:

> "We have a considerable smaller senate, where a fraction of the board members are externals (typically from business); also more focus on finances of the university with new positions (…). There is also an increasing emphasis on financial independence, which aims to increase financial buffers of the university in the long run" (2FUtm).

Other system level interviewees highlighted the importance of having external participation. Their arguments are in line with the positive views of the interviewees.

> "At the Ministry level, we think it's very beneficial. (…) We required at least 40% of the Board members to be external, they are appointed by the universities themselves and the Chair has to be one among external members. We think that now, when universities are responsible for their own finances, it's absolute necessary to have these external experts. (…) Now, in theory, a university might go bankrupted. It's difficult to imagine that, but it's possible, both in theory and in legal terms. Universities' leaders and managers have now very different roles" (2Fs).

At the institutional level, and generally speaking, this change was particularly appreciated and well accepted by interviewees. The Finnish university of this case-study represents a quite unique situation, considering that, by the time interviews were conducted in Finland, the Rector of the institution had been in power for 18 years. In that year, 2011, it was the Rector's last mandate, and the great majority of interviewees, regardless their role, did not show much sympathy with the

Rector's "leadership style".

> "It has been a good thing because the Rector was a very much alone governor and made decisions and everything was done according to the Rector's ideas. But now the Board is above the Rector. In the past the Board was made of the university people alone, and they would be a little bit reluctant to be against the Rector because they didn't want to feel any effects, perhaps. I don't know, this is just my feeling (…). But now this Board with independent people gather there to say their opinions, and internals can inform these outside people about what is going on at the university (…). In the beginning I thought they would oblige us to be more like an industry or something, but now it's ok" (1FUmm).

> "External council members are more likely to present public ownership in a better way than fully internal councils, who are driven often by a desire for status quo (and thus inefficient performance over time)" (2FUtm).

From these data extractions, if we think about shifts in governance models and/or decision-making practices, it is possible to conclude that there was indeed a shift towards a more democratic and representative way of governance. However, this is an interpretation based on actors' views belonging to this same university, where it seems that the presence of someone who governs along with the Rector was very appreciated.

> "I think it might be a good thing, at least in the way it has been carried out in this university: 3 outside members of the university in our senate. It's not too bad. (…) I think if you would have like half and half, I would say it's too much; you would be giving too much power outside the university. But I think this ratio in our university is good. And from what I've been hearing from our new senate is that they are very keen and motivated to really develop this university, so, until this point, I have a good impression of the work of our senate. I think they've taken courageous steps and they have actually tried to implement change. What used to happen with the old senate, in my understanding, was that, even though they made decisions, the faculties didn't always implement the decisions. But now I have a feeling that this new stricter senate may actually take a firm grip of the activities of the university and make faculties follow what they decided" (5FUmm).

Another possible reason explaining these positive views relates with the associations interviewees apply, as they tend to link the presence of external stakeholders in the institution to its increased connection and openness towards the civil society. Additionally, or consequently, they perceive an increase need for HEIs to be more accountable, considering that Finland invests highly in education. Again, this points to the change in looking at Finnish HE and the perceptions that some aspects needed to be rethought.

> "I kind of understand the needs nowadays, that universities need to open more to society and for the whole country – especially in a country where there are no tuition fees and the state supports students so much. I understand that it's a way to open up for the society and, on the other hand, to get more information about what's happening outside the university, and what are basically the needs where we should invest and pay more attention" (1FUa).

Interviewees from the polytechnic were even more enthusiastic towards this issue, especially lecturers, perhaps because they are more used to this presence in their institutions and believe that universities should follow the same trend. Another hypothesis would be that, even uncousciously,

by feeling the *stigma* of belonging to a vocational HEI rather than to a classical university, polytechnic's actors praise the fact that universities, in that respect, are resembling more to polytechnics and are following their organisational archetype:

> "I don't believe in pure knowledge. Knowledge for the sake of knowledge? No! Because there is no direction for research, because the reality keeps the direction of what you should research! In that sense I'm very much in favour of the presence of external stakeholders in the governance bodies of universities. And they have been able to collect money from businesses (…) and they are taking the first steps towards building this link to the reality. So I think this is good, but I don't think it's enough" (1FPl*).

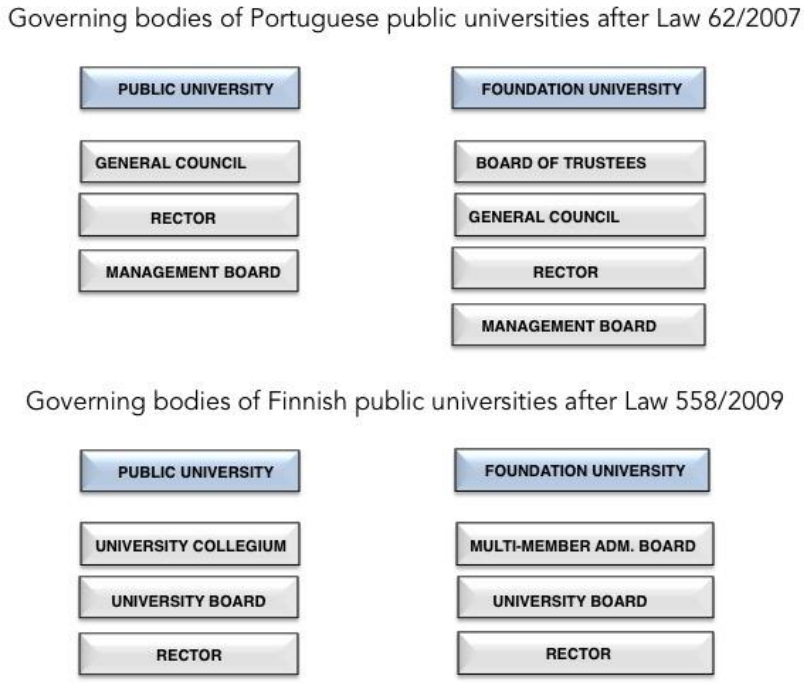
> "I think it's a positive change because to be quite franc, leaders of the pedagogical units and researchers don't have the time to really follow what is going on in real life and I (…) personally think that we are here to serve the real world. And how do we serve them if we don't have dialogue? And that's why I think it's definitely important, maybe not always pleasant, but very useful" (2FPl).

Not surprisingly, their discourses are more managerial, even a bit extreme (e.g. 1FPl*), resembling private companies' personal.

It is worth to notice that, although Finnish universities tend to have a higher participation of externals than Portuguese universities (40% vs. 30%), according to the data collected and the document analysis on composition of the Boards, namely the analysis of external members' profile (Pedrosa et al. 2012; Bruckmann and Carvalho 2014), the great majority of Portuguese external members tend to have a managerial background: businessmen, politicians and academics… A search through Finnish HEIs' websites on the composition of the Universities' Boards shows us a wider variety of profiles, where we can even find external members belonging to the Church(es). This allows us to infer that the rationale of the need to open more the University to the society and "outside world" is being put into practice in Finnish institutions probably more effectively and in a more *disinterested* way than in Portuguese HEIs. This also goes in line with the aforementioned argument on the reminiscences of collegiality in Finnish institutions decision-making, which is higher when compared to Portuguese institutions.

A comparison between Portuguese and Finnish universities' governance bodies, after both the RJIES and the New Universities Act entered into force, is presented in Figure 14.

Figure 14 - Governance structures of Portuguese and Finnish universities after the new legal framework for HEIs



Source: Bruckmann and Diogo (2015).

When analysing the Finnish legislation and university's internal statutes, it is possible to say that the New Universities Act (still) retains collegiality principles regarding the process of decision-making in top governance and management bodies. As can be read in Law 558/2009 (§29º), "the multi-member administrative body shall decide matters by majority vote. The motion seconded by the chairperson shall win if the votes are equally distributed. If the votes are equally distributed in a vote on a disciplinary matter concerning a student, the more lenient opinion shall be the decision". Similar processes of decision-making are described in the Portuguese legislation, with respect to the GC, where decisions are approved by a simple majority, except in cases where the law or the statutes require an absolute or a more stringent majority vote.

Also similarly to the Portuguese RJIES, the New Universities Act allows for each institution to decide on the governance and management bodies at the middle level structures. It is up to each institution the administration and management of organisational units, in order "to enable universities to respond more flexibly and independently to the challenges arising from their new financial status" (FMEC website). In the Ministry's view, reform consolidates academic decision-making and the position of the Rector. Nevertheless, this was the topic where perceptions among interviewees most varied according to their role. By other words, extreme visions on the distribution

of Rector's powers and decision-making processes emerged between system level and top-management interviewees and the group of middle management, academics and technostructure interviewees.

> "(…) so nowadays we have stakeholders in the administrative board and the chair is always an external men or lady and that is very different. And then the influence of the staff is less than before. Of course it can be regulated by the own regulations, but the law is much more influent to the Rector and to the administrative board. So, it is different than before. Before it was more cooperative" (4FUmm).

> "Decision-making is now much more Senate-based leadership, so in our Faculty we try to be as simple as possible. The Senate [*Board*] is the guard and the Rector tries to make the guards satisfied. The Rector is operating the university mission made by the Senate and then, because the Rector choses Deans, we try to implement these operations in the real life, at the Faculty level and then we invite the Department leaders so that they try to follow the Deans mission (2FUmm).

Complementary to this, academics acknowledged the fact that the influence of academic and administrative staff is less than before and such concentration of powers may be pernicious for the institution:

> "I think now the Rector has more power, Deans have more power, the heads of the departments have more power and all is concentrated in one person. And in some countries they called these people dictators, so I think we need more work together before making decisions like this" (2FUa).

System level actors with roles in the academic arena also acknowledged that

> "Because we had this tradition in universities, to have this kind of collegium that it's most about academic staff, academic staff and students' representatives. And they have less power today and less influence. It depends. Today some individuals have more management activities and more power, but maybe some have less then before because they don't have to participate anymore every month in collegium meetings and so on, but those who have these functions, have more, yes" (5Fs*).

With respect to the decrease of membership in the institution's governance bodies, more specifically, having less forums for collective decision-making, also middle management actors (besides academics) expressed their fears towards the possibility of top-management actors, i.e. the Rector and the Board interfering too much or inaccurately in faculty/department's academic affairs.

> "There is this danger that the university board and the director somehow want to orient research activities for some reasons or for specific purposes. It is possible for the rector to do that. But I think that in our case it is not a real danger because our department is very strong in research and very important for the university. (…) I don't think they want to disturb our activities in that way, but of course there are always some fears. For instance, the rector has said that we should somehow orient more towards industry. We don't like that, we don't want to do that, we want to do what we do nowadays. And nowadays they prefer to hire people who are not academically high-level only because they have some contact with industry or something like that and that's against our principles, because we want to have the best" (1FUmm).

The previous quotation sheds light or anticipates another type of *risky dynamics* in HEIs' life: the hierarchy or the prioritisation of disciplinary fields, where it is easy to envisage a race where hard sciences achieve the podium faster and easier than soft disciplines…

Additionally, or concomitantly, and as portrayed by the following citation, visions on institutional autonomy tend to differ significantly between these two main groups of actors. A possible reason explaining differences of perceptions lays in the link that interviewees establish between autonomy, accountability and funding.

> "What this university law gave us was some freedom to arrange things here, internally, inside the university. But of course, then we still have this pressure and we have to produce certain results that are measurable somehow, like master degrees and things like that to get the money from the Ministry" (4FUa*).

> "The Ministry is still very interested in the results, to know where we've been using the money, otherwise, we should have independence to use the money in the way we like it, etc. So, it gives us indicators, which we have to follow and report to the ministry. So, this is something which contradicts the idea of the law, I think. But, whether this is a problem or not, I'm not sure. Because, on the other side, of course the Ministry has to know something about that, about the universities, about how they work and how they use their money" (4FUmm).

And one could also find some contradictory visions on this issue, especially from more *enthusiastic* top-management actors:

> "The main advantage is that we are independent now, we are not anymore state dependents, we are state-related universities because the state remains the main money lender of the university. (…) Now we own ourselves: nobody else owns us, we are independent and we have the responsibility to raise funds for the university. The responsibility and the possibility, because it's our own responsibility, it's anyone else's responsibility. (…) Everything that is related to funding and how we deal with it: more freedom in all kind of financial issues, (…) we can generate income to the university and this is a totally new idea because the money don't just come from somewhere, and the state is not responsible for how the universities control their budget anymore" (1FUtm).

However, the government continues to guarantee sufficient core funding tied to the rise in costs for the universities, and according to the number of outputs universities produce. As also acknowledged by other top and middle management actors.

> "Actually we had certain degree of autonomy in the old system, because there was this freedom of research, freedom of teaching. This type of steering system started to develop already in the 1990s. We had a certain degree of freedom, already in the old legislation and now even though we are no longer government institutions and we can sort of control our own finances, there's not that much degree of autonomy because we are still funded by the government and the terms for funding are very strict control, so you get certain part of your funding based on a certain number of students, bachelor degrees, master degrees, doctoral degrees, number of publications, so it's a pretty similar system in that sense. So, we do have from certain aspects more autonomy, but from some other aspects, we don't" (3FUtm).

This is so a mitigated or *fake* autonomy, which comes attached with several strings… as for example more administrative work not only to justify where the funds have been used, but also to try to obtain more resources, either public or private. From the administrative staff, it was also reported *communication* problems in dealing with the law. The following situation explains why the Technostructure actors were reticent to fully express their views and expressed mostly positive views on the reform processes analysed here.

> "How can I say this diplomatically? Because during the time the legislation was being prepared there was also a legislation about advertisement and how open we should be, and how to look at the information we should give to the people who ask us things. So, when the law has changed, many people thought that our university is not that much public and open anymore, that it has become more like a company and we can't decide ourselves what information we want to give and how we will give it. Of course that is wrong, because we are still publicly funded, like 68% of the money comes from the state, so we are still public and we if someone ask us, we have to serve them and give them the information. This basic idea hasn't changed, but now our lawyers are making our lives really difficult because they want to keep all information inside, and turning this into a more private institution. There is this supervision… but it's not only in our university, I think this is happening in all universities and I think in all society too, in all sectors! And now our universities are seen like business, like companies" (2FUt).

This view reflects not only changes in HE sector due to NPM reforms, but also in the whole public administration in general.

In fact, also the middle management interviewees were quite cautions when approacing this increase in freedom and autonomy in HEIs. By other words, they were aware that more autonomy entails more accountability and that funding issues have clealrly assumed the main concern of academia. In turn, and although the economic situation in Finland is significantly better than in Portugal, Finnish interviewees acknowledged a "dependence" and/or awreness of raising funds.

> "Maybe this sort of idea that universities have now more freedom to decide on their own matters and there is less government guidance… it's not actually true in practice, because obviously most of the funding comes from the government anyway, and funding issues these days are connected to governance as well" (3FUmm).

> "One of the good things are that we are more independent now and we can have money easier than when we were under the government domain. But I don't like when we have to beg (…). We are begging for external money, for business money, I don't like this. I understand it's important to get external money, but this is now like begging and I don't like it" (2FUa*).

These views go in line with the institutionalism perspective and the relationship between organisations and their environment. An unpredictable environment demands the development of more efficient management techniques and practices in order to support institutional planning and strategic thinking. Also stronger leadership is expected in moments of uncertainty and constraints. What seems to be common in both Portuguese and Finnish organisational fields is the growing awareness of the urgency to adapt and to *reinvent* HEIs as well as professionals' behaviour to answer more efficiently to the demands of the several environments where they operate

Box 1 - Summary of the OECD (2007; 2009) recommendations that were institutionalised in both Portuguese and Finnish HE systems and HEIs

Portugal (PT): Equal levels of institutional autonomy for public and private HEIs, polytechnics and universities "Government should introduce comprehensive university and polytechnic legislation in which the autonomy of institutions is clearly defined. (…) This new legislation should be applied to all HE institutions" (PT 2007: 67).
Finland (FI): Change in the legal status of HEIs (e.g. foundational status; non-profit corporations, FI 2009: 108).
PT & FI: Reduction in the number of governance and deliberative bodies /Fewer collegial bodies
PT & FI: Decrease in the number of academics on governance bodies
PT & FI: Strengthening individual leadership in units and subunits
PT & FI: Loss of influence by collegial bodies
PT & FI: An increase in external members on institutions' governing bodies
PT & FI: Concentration of executive power in the Rector (or President)
- Abolishment of the principle of parity in the representation of academics and students (except on the Pedagogic Council) (PT, Finland still retains academic and students' power)
PT & FI: External recruitment of the Head of the General Council
PT & FI: Appointment of Rectors/Presidents as well as faculty and department heads
PT & FI: Loss of public servant status for both academic and non-academic staff non-applicability of public accountancy rules to the institutions
PT: Increase of tuiton fees (Portugal 2007: 12; 120; 126)

Both processes in both countries exemplify a most common *dilemma* in institutions' life: how to combine top-down priorities with bottom-up concerns? How to listen all actors in a satisfactory way and take their words into actions in a profitable and effective way with the available resources? Is this actually ever possible in the HE arena? In sum, how to design and implement change involving the most possible actors, in the most effective way and which benefits the great majority of stakeholders?

It seems that, at least in this HEI, the academic university distances itself from a collegial model of governance to approach the private/business model of decision-making where the power is concentrated in one person – the unit director or president – who can be appointed by the Rector.

To sum up…

The second dimension aimed at investigating how HEIs change their governance and management practices to cope with the external pressures analysed here. More specifically, it aims at analysing and contrasting changes at the institutional level posed by the RJIES in Portugal and the New Universities Act in Finland. It addressed then R.Q. 2: *Which major changes happened within the organisational structure of HEIs? How HEIs change their governance and management practices to cope with external pressures?*

It was possible to see that international organisations such as the OECD are powerful agents in spreading normative managerialist values, which are then enthusiastically absorbed by national

governments and HEIs. While national circumstances were different and different problems were identified in both systems of HE, the formula prescribed was similar: the legal status and governance of universities had to be redefined in order to create more autonomous and entrepreneurial institutions (Kauko and Diogo 2011). HEIs could then choose to become (or not) public foundations operating under private law. As the recent study of Pedrosa et al. (2012) concludes, changing the legal framework of universities allowed institutions' greater capacity of self-governance and freedom of manoeuvre. This attests Neave (1998: 275) argument that self-regulation can be seen as an exercise to accelerate HEIs' adjustment to external change (Diogo 2014b).

Both the Bologna process and the Laws 62/2007 (Portugal) and 558/2009 (Finland) created changes within the organisational structure of HEIs, impacting the way institutions are governed, on how and who takes decisions, on working conditions and on the way the organisation of work is distributed, etc. Nevertheless, empirical data and institutionalism taught us that institutions do not always follow these impositions *peacefully*, and they develop strategies to better cope with the environmental forces surrounding them. Simultaneously, and especially in (highly) competitive environments, they seek for a sufficient flux of resources which allow them to not depend excessively from other key-actors. The weight of the supranational level of governance gained more importance and evidenced different concerns, weaknesses and strengths of these countries. Driven by the ambition of enhancing their attractiveness and not lagging behind successful HE systems, both Portuguese and Finnish organisational fields pursued mimetic behaviours, mostly induced by coercive and normative pressures coming from national and international sources.

The empirical data analysed in this section also suggests that collegial autonomy may not be contrary to managerial preferences, but in line with them, as also pointed out by Frostenson (2015). Although with fears of losing the *ex libris* of the academic profession, Finnish and Portuguese academics acknowledged that even in closer circles of decision-making processes, there is room for individual freedom of action and influence. Or, as Frostenson (2015: 24) explained, the decentralisation of decision-making does not automatically imply decreased autonomy at the level of practice, since collective forms of work may require it.

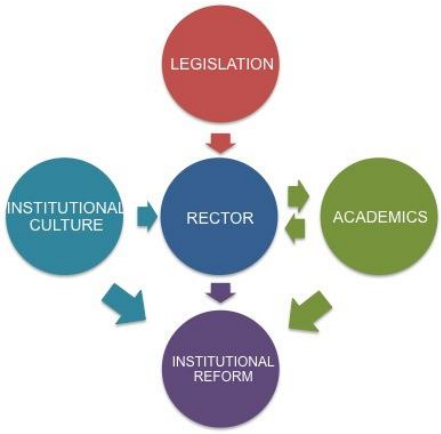
One of the main critics that Portuguese interviewees referred about the RJIEs relates to the nature of the document, as verified in the previous section. As a consequence of this type of document, complex and ambiguous, it is possible to observe *some* hybridity of functions and powers of the governing bodies such as the GC. This means that a mix of electoral, strategic and supervision powers, was criticised by some top-management interviewees, including external members, as it also denotes the ambiguity of the law. Therefore, there was no room for the

emergence of governance bodies with very well defined and clear missions, neither for a clear separation of powers among other bodies, a fact that corroborates the interviewees' views on the lack of clarity of Rectors' powers. The outcome is a hybrid document which reflects the Portuguese society: afraid of creating a total (and necessary) rupture with the past, legislators tried to find a balance which would please everyone, without causing that much discordance and/or insurgency. The RJIES is thus an attempt to maintain collegial elements while introducing and deepening (more) managerial options. This view somehow contradicts the idea of the RJIES being a rupture with the past, considering that some interviewees wished or aimed for a complete reform of the Portuguese HE system. This might also be explained by the fact that interviewees guide their interpretations and actions through different norms, values and belief systems (archetypes). Such diversity is then translated in the way actors operationalise change. Additionally, interviewees referred that this legislation was a "lost opportunity" of doing something simple but quite oriented and practical, which simultaneously would allow and demand HEIs to be more transparent and accountable. Consequently, one observes hybrid and ambiguous models of governance, where old and new forms of practices and principles are mixed (path dependencies) and therefore confirming the changing pattern in HEIs dynamics, where one finds a mix of old and new elements of governance models. This goes much in line with the historical and cumulative nature of institutions, making change slower but also more possible (Peters 2005).

In fact, the study of organisational change in HE using an archetypal approach is particularly interesting when HEIs' governance models are taken as research focus. An interpretive scheme is the set of ideas, values and beliefs shared by organisational actors in a given moment (Greenwood and Hinings 1993). Considering organisational change as the movement between archetypes, Greenwood and Hinings argue that there is archetypal change when there is change of the underlying interpretive scheme. It is therefore necessary to consider these two dimensions while analysing an organisational change process, as one relates to the other, interacting with and influencing the other into change (Brock 2006). A reform process causing change to universities' governance models provides for a very good case study of archetypal change. Governance change has been enforced on Portuguese and Finnish public universities by legislation, resulting in a new and different set of governing structures and processes. Governance change is implemented in universities by their internal actors, required therefore to reflect upon the reorganisation of the governance structures and thus upon their own set of ideas and values on what university governance is, which might cause a change of the interpretive scheme they were committed to (see Figure 15). The role played by the interpretive scheme is of major relevance in an organisational and archetypal change process, as it might determine its success. "Effective change requires the old

interpretive scheme to be delegitimised and a new interpretive scheme to be put in place (Brock 2006), and this is not as easily achieved as a change of structures and systems" (Bruckmann and Diogo 2015).

Figure 15 – Factors that influence Higher Education reform



Source: Bruckmann and Diogo (2015).

The Finnish university of this study exemplifies an attempt to have a balance of powers in the governance bodies, whose composition changed in line with its strategic management responsibility. One on side, there is a strengthening of the executive power, whereas academics' participation needs to be assured in those governance bodies that steer educational and research matters, both at the central and faculty levels.

Both Portuguese and Finnish academics and middle management actors showed somehow paradoxical *feelings* about these changes in institutional governance. Collegial decision-making has been reduced in both cases, as the presence of external members has been greatly increased. Whether on one hand interviewees feel uncomfortable and fear a loss of democracy and participation in academic and legal affairs, they also recognise the need of change and the ineffectiveness of the prior academics-centred university model. Overall, governance reforms seem to be positively perceived: the presence of external members is generally welcome, and seen as a two-way opportunity as HEIs benefit from an outside view and external members get to better understand the challenges institutions face. However, with respect to the number and composition of the Boards' members in the institutions of this study, several issues still remain to be answered, casting doubts towards the actual rationale and purpose of such matters. The Portuguese GC and the Finnish University Board are comparable boards in that they are a very important decision-making body, composed by internal and external stakeholders who get to select the Rector. However, the dimension of these two boards is very different: between 15-35 members in Portugal and 7 or

9-14 members in Finland. From these, external members must account for at least 30% of all members, in Portuguese universities, and 40% in Finnish universities. This leads us to infer that Finland has taken HE reform further into a managerialist-like model, although one should remember that Portuguese universities had enjoyed a greater and longer degree of autonomy when compared to their Finnish counterparts. Both countries, however, have assured academics the majority of seats, which indicates that academics are not willing to abdicate from decision-making power (Bruckmann and Diogo 2015). However, some interviewees also wondered from where does it stem the (democratic) legitimacy of those 5 people belonging to the Portuguese university Board of Trustees? And what guarantees an inalienable defence of the institution by five individuals who are external to the university? What are the risks of politicisation or connection to private interests? With what legitimacy and with what knowledge on the university do they have to ratify/approve strategic plans, budget proposals, annual planning, and other types of instruments? How will this relation(ship) work between the Board of Trustees (for the Foundation University) and the GC (for the 'rest' of the University?) Would it be possible that, in the long run, this can create two different organisations in the same institution?

Regardless of the country of study, similar perceptions among the same group of actors can be observed. Increased power in single-person boards has been positively perceived as it streamlines decision-making processes. Nevertheless, and especially at middle management level, actors fear that this new governance model might lead to a loss of democracy and participation rate among the academic community.

2.5 Academic Careers and Working Conditions

The data discussed in this section sheds light on changes related with the working conditions of academics and their careers. In this way, it answers to the third research question of the study, namely whether it possible to evidence changes in the way work is organised within HEIs and in the way decision-making processes are taken. Simultaneously, it is analysed how these external pressures influence the way academic work is carried and the way academics participate in decision-making practices? The Finnish reality will be firstly addressed.

2.5.1 The Finnish Case

> "University staff will no longer be employed by the State. Civil-service employment relationships will become contractual employment relationships, and universities will negotiate in collective bargaining. The universities will be able to pursue independent human resources policies, improve their attractiveness as an employer and in this way strengthen their competitive advantage in order to recruit the best personnel" (Universities Act 558/2009, §4º, 32).

The loss of the civil servant status, governed by the *valtion virkamieslaki*, Law 19.8.1994/750, was the point that most interviewees strikingly reported with respect to changes in academia working conditions and the redefinition of faculty roles.

> "From my point of view, the main change was from the state office servants to contract employees. But for the institutions, I think it's to give more power to those individuals who are leaders of the faculties and separate institutes or departments" (4FUtm).

> "I think that can be a little bit hard because for a long time staff at the university were civil servants (…) and I'm sure this creates a lot of stress and tensions for lots of people, because as a civil servant is very hard to be fired, it's almost impossible. Altogether the civil servant status is very strong, very supportive. But now they are like any regular people working. (…) So now, if the university would like actually to fire some of the staff, it's much easier than it was before. And some universities have already done that, because the career of a civil servant is very guaranteed, because it's always the state the main core. But the university is not like that anymore" (1Fs).

The reasons that led each group of interviewees to refer to this change as one of the most significant in the law differ according to their perceptions about the impact the law might have for them and/or for the Finnish HE system. For most interviewees, and as aforementioned, the end of the civil servant status represents an ideological change, which reinforces or tries to introduce a cut in the links between HEIs and the state, a change in the relationship between the state and HEIs that Neave (2012) referred to as the rise of the Evaluative State.

> "In the 1st of January last year [2010], the whole ethos has changed. The whole way of thinking has changed and that takes a long time for people, because really the whole university ideology concerning management, governance and economics has been changing so much" (2FUmm).

Academics feel that more than changing structures the main aim of the reforms was to change their subjectivities. Universities have now the right and the obligation to take care of their staff and of their own internal policies. At the eyes of system level actors, this increased responsibility will evidence "(…) differences between the universities: some are better in their personnel policies and some are not doing so well" (2Fs). This in fact might lead to a stratification system among Finnish universities, where a kind of ranking system in terms of human resources policies and working conditions can emerge. However, interviewees also assumed that the change of employment status does not affect the nature of their work, or the way they perform their activities, at least in the short term. Therefore, it is more a "symbolic change" than an "actual change". The following quotations of actors performing different roles (system level and middle management actors) clarify on this seeming (at least) quietness of interviewees regarding this change.

> "There might be fears and it is of course in the universities because one of the major changes is that each university can have their own human resources policies and it is upon to the university to decide what kind of people they want to hire. But my understanding is that if there will be adaptations or major changes in the universities' human resources structures, it will take several years and it will be adapted to the retirement processes. So, it won't be a total major change in the forthcoming years. As such, there is also flexibility in the universities due to the aging population, the great the number of universities professors will retire in the forthcoming years, because this is

the baby boom generation So, I'm not that much afraid because the retirement process" (3Fs).

> "In my perspective, this is only a symbolic name "civil servant", but of course that for some people that is very important. They are not satisfied for not being civil servants anymore. But in my view that hasn't changed at all my life. I like this, for the most part. Of course there's no perfect system, but ideologically I'm supporting this, otherwise I wouldn't be a Dean, of course" (2FUmm).

Once again these results seem to reveal that academics perceptions about changes are not homogeneous and that more attention should be paid to the internal differences, i.e. to their "tribes and territories" (Becher and Trowler 2001). A similar view was reflected by other system level interviewees who also work in universities, and a middle management actor. Although these actors assume their positions did not change much, they acknowledged the shift in the relation between the state and universities as they see it as type of *steering at distance* model. In parallel, they also prefer to look at this moment as an opportunity for HEIs *comply easily* with the environments surrounding them. This fact not only confirms the *soft tradition* of Finns in reforming their HE system but also denotes some peacefulness in institutionalising changes.

> "I can't see this change of the status of the staff so important. But some people see it as a threat, that we are not anymore state officers, civil servants, but I don't know if that it's too bad. Maybe I'm too old, so that it's not a threat anymore to me. But, on the other hand, the reform also made, for instance, the recruitment of people more fluent, easier. It can be a threat of course, but it can also be an opportunity to answer to changes in the universities" (5Fs*)

> "I don't feel our positions have changed that much. In principle, it's mush easier now to get fired. Even if you are a Professor, they can say: "Ok, you don't teach anymore this topic, we don't need it anymore, you are fired". But in the old days, if we were a Professor, it was almost impossible for you to get fired, only if you're misusing alcohol or did some bad thing related with money, those would be the only reasons, I think. But otherwise, if there was no work, it wasn't the Professors' fault; it was university responsibility to find another job/occupation, because that was not a legal reason to fire people. That was a good thing of the state when we were part of it, but now people can be fired based on economical reasons or due to some reorientation activities of the department, or by any other motives" (1FUmm).

As the New Universities Act no longer considers universities as part of state administration, but mostly in terms of their main mission of education and research, universities have now autonomy to hire the personal they want. By other words, this increased administration and management autonomy which is translated in the concentration of powers in top and middle management actors, allows for greater latitude in managing faculties/departments' resources, either financial and/or human. This was a positive aspect focused by middle management actors and academics, as well as for those system level actors that perform some kind of role in universities, who praise their freedom which now exists when recruiting people.

> "I have mixed feelings, definitely. There are some positive signs, at least this idea that there is more freedom to decide about how you want to recruit people and that kind of things, that's the sort of ideal. But I don't think it works that well, it's still very bureaucratic and this idea that universities have now more freedom to decide on their own matters and that there is less government guidance. It's not actually true in practice, because obviously most of the funding

comes from the government anyway, and funding these days it's something that is connected to governance as well" (3FUmm).

"We are able to develop more flexible recruitment procedures, we can recruit people very quickly and according to what we need. If we want to hire a Nobel Laureate we can say "you are hired", which was impossible before, due to the very complicated procedures. And we are able to develop new track models for national and international researchers, we can promise "ok, you come here and we employ you from 4+4years and according to the evaluations until that stage, if we find you have performed according to the expectations than you will be made a Professor". That would be impossible in the previous system. So yes, it has given us a lot of flexibility in recruitment and I think yes, it is a very important thing because research is not the Rector who does it, it is done by excellent teachers and researchers and it depends if you are good or bad in recruiting and it will help you in the future" (6Fs*).

Also all top-management and middle management interviewees are quite supportive of this change, mostly due to the rigidity and bureaucratic bottlenecks the previous Law demanded. According to the Law 19.8.1994/750 that regulates the civil service career, the procedure to open and fill a position to hire a Professor was highly strictly regulated and time-consuming. The following quotations prove that:

"I think it's a good idea if it helps our teachers and researchers to concentrate on their work. So, it's up to the administration to create as good conditions and environments as possible. (…). So we can conduct our own employment policies, and also control our salaries, we have more freedom for that, and we can also do more active recruitment than we used to do, for instance, head hunting. Prior to this legislation, the state controlled, for example, the qualifications of our staff members and positions, but not anymore… and actually some people have fears that in this new independent status the universities will lower the qualifications of staff. But we have done the opposite, we have increased the qualifications of our staff, not lower them and reach our strategic objectives and look to what we need more specifically to fulfil these objectives" (1FUtm).

"In terms of recruiting we have more freedom in deciding upon our recruitment strategies. For example, in the old system when you had to choose a new teacher or a new professor (either he/she was a professor in sociology or history or whatever) you had to choose the most qualified person. The person could have an expertise that was very strange to that institution, but you couldn't really create an institutional policy or sort of build up your own profile. You had to hire the most qualified regardless of his/her field of expertise. But now, in this present system, in the department you can actually say that "well, in similar department they are concentrating on this and this issue, well now let's decide one field in our discipline that is underrepresented in Finland, now we could actually build up our own profile in such a way that we would fulfil this vacuum". Then you can start recruiting people that you feel they fit best that strategy profile. In the old system, that wouldn't be possible"(3FUtm).

Nevertheless, "not everything that glitters is gold". As the previous middle management interviewee explained, Finland, and more specifically in Finnish HEIs, there are people who have a chain of short contracts, where in some cases they "could have been for 20 or 30 years with short contracts" (1FUmm). Such situation is not possible with the new legal framework of Finnish universities' autonomy. Thus, this is sort of a "hit me with a child in my arms" argument, which means that if on one side, it became illegal to make short-term contracts' chain; on the other hand, it becomes too risky to give a permanent contract to these employees who used to be employed through this

system of chain contracts. Although this is a discussion that goes beyond this research, briefly put, the main reason for this to happen is because around 30% or 40% of faculties and departments' funding comes from outside sources and in the form of funding contracts with these funding entities. However, it is not clear or certain that these outside sources will fund for periods of 4 or 5 years. As such, for the people who get their salary from these sources, their contracts are arranged if there is continuation of the funding, which explains the reason for chaining. With the New Universities Act, this is not possible anymore, and interviewees tend to admit that

> "People that has been here for a long time should have a permanent contract. But that's a risk for the department because if the outside funding is ending, than we need to find the salary for that person from other sources. Of course you can fire him/her and saying that there is no more funding, but this is something we shouldn't do and it's also a risky business to do because the person can take us to the court and say that these activities continue here and that the lack of outside research funding is no legal reason to fire him/her. That's why we are now very careful…" (1FUmm).

Somehow these concerns express the fear of having an heterogeneous group in academia with some academics, belonging to the oldest generation, having better working conditions than other, mainly those who belong to the new generation (Santiago, Carvalho and Cardoso 2015). Therefore, internal and external environments of uncertainty stimulate fears on academia staff, not affecting directly the nature of their work and their duties, but mostly on the way they live their daily routines in the academia.

> "Of course that there are certainly a number of people who is afraid, frightened because the university is not willing in their case to take the risk of attributing them a permanent position once the funding is not certain. And, if their present contract ends, they might think they are not important anymore and then they still have to live. That happens for sure. There should be some cases like that because we can't take that risk. So, that is what happens when so much salary comes from outside funding. If this stops, we are in trouble because we don't have the money to pay to this people. In these cases we can fire them but somehow we want to avoid this type of panic situation and … smoothly take some people outside the university, gently" (1FUmm).

With respect to academics' view on this change, their answers go in line with the argument of "I can't see any big changes in this" (2FUa).

> "It was a big issue for people working here but we didn't talk about that very much, our position our function didn't change. It's a fact that we are not anymore employed by the government, but I think we were not that happy, but we didn't argue about it, and that's interesting because it was a big issue, but we didn't discuss that very much, it was a bit surprising" (1FUa).

In turn, technostructure elements seemed a bit *afraid* of expressing their views… They mostly reproduced system level and top-management interviewees (especially the rector's discourse), introducing the idea that the law is now fairer for everyone working in the system.

> "It's now much easier to fire people, actually there have been quite some layoffs after this new law or like... some functions have been shut down and that's one of the goals of this new legislation, because in the past it was impossible to fire anybody, even though he/she didn't have any jobs or if people wouldn't come to the university at all, or if they were here, but they wouldn't do their

> work well or not doing nothing at all. It was impossible for them to get fired because they were civil servants. So, in that sense I found the law fair, because it is possible now. It can create some fears, but on the other hand it brings more equity to the system" (2FUt).

The administrative model for stronger university autonomy is also institutionalised at the middle management level through the redefinition of the roles performed by Deans and Departments' Heads, namely their enhanced (delegation) powers and leadership duties. This was clearly reported by system level actors and top-management interviewees.

> "We think that this larger framework of autonomy clearly made efforts to strength the position of academic leaders, of deans and heads of departments. They have clearly more powers now in relation to the faculty board than before, because they really want to have people who are really willing to take responsibility and to steer and lead the faculties and the departments and I think this is extremely good. Deans now have a much wider responsibility and larger powers than before" (6Fs*).

> "Because this new governance system it was meant that all decisions are made by individuals and colleagues and the main idea was to find a balance between that and the Deans and the leaders of departments, that decisions are made in a good way in the Faculty Council. The change was to give more power – power is not the right word here but let's say to give more space to lead faculties and through this way, it was easier to do that. And when this autonomy was increased, it made more important for the university senate to do strategic guidelines, a kind of process where leadership is more intensive than in the old days. For Deans and Rectors, I think it's clear now" (4FUtm)

> "That's a true cultural change because we still have this long tradition that professors, in particular, are free men and woman and they can govern their own work, they are very independent in their own work, even to such an extent that if they choose not to work there was sill much they could do in their old good days… But now the university has to perform well and it has to perform along the guidelines that our funding agency, the Ministry wants us to do. And that requires much more firm leadership than the old system had" (3FUtm).

The majority of middle management and academic interviewees could agree and highlighted the (positive) aspects of such measures, which mostly refer to the need and importance of having people full-time commiteed in the administrative and management of the faculty/deartment, without being an imposition or some kind of rotative position. Furthermore, in line with Portuguese interviwees, it was also argued the need to increasingly more, quick decisions need to be taken due to the changing nature of higher eduction. Towards the uncertainty environement that surrounds HE, and especially in moments of ither financial constraints, or changing practices or policies, stronger leadership is expected, which may reinforce the tendency for accepting a top-down management style.

> "(…) This delegation system has changed a lot. This can be a bit naive, but it should be like that, and of course that now, all the time more rapid decisions need to be made and that that is, in my opinion, more related to our time. Our time nowadays it's of more turbulence in every sectors: policy, economics, HE, working life, that's ten thousand times dedicate life and not very promising for the long term" (2FUmm).

As clarified by some interviewees, stronger leadership is not synonym of a dictatorship or

professional administrators and/or managers, but rather someone that has the time, the willingness and the ability to lead a complex organisation such an institution of HE and its organisational units. The following middle management perception portrays the ideas of most interviewees on the topic:

> "Stronger leadership because… it might sound very radical, but of course when I say stronger leadership I don't mean that we should get professional leadership outside, hiring people that don't know anything about universities or their mission, or about the basic principles of universities. But what I'm really more after is the leadership of people who actually is willing to be the person leading the position because… I used to be a department head for 7 years and so I knew a lot from other department heads (…). About half of them thought it was a kind of punishment that they had to be department heads. Like, 'ok, this is something that we have to do for 3 or 4 years, then luckily I'll get rid of this position and someone else will be punished". So, we still have this type of attitude and it's a kind of task that someone has to do but they do it very, very reluctantly. So, I think we should find people who actually are willing to act in that position and try to enhance the unity and performance but also respecting the basic ideas of a university" (3FUtm).

One can see that from system level interviewees until middle management actors, opinions do not differ so much and they are usually supportive of more "professional management" for HEIs, accepting *soft* managerialism for the sake of institutional and academic survival.

> "But I think that at the faculty level is easier, but I am a bit worried about the department level, because the same learning must go through department leaders and I think they are also part-time leaders, much more part-time compared to the Deans. So these are so demanding processes for the leaders in every level that… and the responsibilities are much more than earlier, so that's why we need to create gradually a system that the leaders are more professional in nature so that they can really devote time to, and they really get trained to that and so on. I like very much, for example, the fact that in some universities (…) Deans and the Rectors are full-time, but for instance in this university the Vice-Rector is not full-time Vice-Rector and that's insane, crazy, because it is such a responsibility! So, we really need a system where the position to lead that kind of demanding processes is full-time. I think that is a shared worried. Have you in Portugal a system where Deans are part-time Deans, I mean, do they have to do research and lecture? (…)" (2FUmm).

Such enthusiasm with a concentration of powers in one person, as well as stronger leadership relates with the complaints of a constant increase of administrative and bureaucratic workload, usually portrayed by academics.

> "(…) we would like to do more research, but nowadays it's more to get funding for research, so you can't do research yourself, not much anymore, because most of the time goes to get funding for research and for administrative activities, so hopefully there should be some sense in that, until we learn how to manage and deal with this university law" (1FUa).

> "In principle, this law should have given us good opportunities to improve our working conditions. However, people are getting more tired: one of the major working principles of the new law was to give academics more time for research and teaching and this hasn't been accomplished" (2FUa*).

Academics' views are then contrary to those system level actors identified above (e.g. 6Fs*), even if the ultimate goal of this shift in the law should be equal for all institutional actors: to *facilitate* life and make activities and roles clear for each "group of actors" in the institution. Again, system level

interviewees were aware and referred the mismatch of perceptions between these two main groups of actors:

> "I've heard complaints like that [more administrative and bureaucratic workload], but if that is true it's because they haven't succeed in doing the reform well, because that was not the aim, much in the contrary. (…) And the idea was instead of having a lot of small departments, not really able to do the bureaucratic work, and having professors doing it, to create bigger units with specialised administration people, and professors don't need to be involved in let's say, more small scale administration (…) but still now it's only the beginning, it's typical from the beginning. If everything would be working perfectly and everyone's happy at this stage, well, I probably would think that there was something wrong…" (6Fs*).

This duality between (more) academic activities, i.e. teaching and research, vs. administrative and bureaucratic issues, was an aspect that came up frequently during the interviewees, both in Portugal and in Finland. It was one of the most frequent complaints, especially from middle mamangement actors and academics. It seems that increasingly more, there is need to devote attention to administrative aspects and to obtain more knowledge on issues that go beyond the traditonal academic sphere. This perceived need clearly anguishes interviewees, even when they are optimistic towards the changes brought about the new law and even when they are enthusiastic with learning bout new subjects. Nevertheless, the time these "extra" activities demand, distress them and disperse their attention from their main functions – teaching and research. Furthermore, what happens in most institutions, is that all this "extra" time and activities are not taken adequately into account in performance assessment exercises. Simultaneously, there are risks that faculties and departments within the university progress and engage differently with the necessary changes.

> "At least so far it has been much more administration and bureaucratic work, so far it has been like this. But, as I told you before, I think that we are just in the way on how to learn to deal with certain things. I'm sure that at some point, it should be better and we will be done with the bureaucracy and with the administration, hopefully" (5FUmm).

> "From many points of view, I like it [the New Universities Act]. I like that we have more independence; I like the fact that we can make more decisions on our own. However, I don't like how many new computer programmes we have to use and to learn now. It's a nightmare! We are very much loaded with this new way to learn, to calculate and to make budgets… The budget and money processes have totally changed now, so we need to learn how to make budgets and how to follow these things, like they do in enterprises and in firms. This is very similar, and nobody got good education and training for that, and especially this budgeting programmes and the system itself, they don't function very well. Today either. So, it takes time… it might end up to function better and better, but you can understand how last year, which was the first year, the follow-up system was very difficult because, we didn't get any update figures like how much money was coming, how much was left, the programs just didn't function. So, how to make credible decisions, how to use money? People didn't know really well what was going on. Howevermthat doesn't bother me that much because I've been built in this mental way that difficulties are challenges and they include risks and if something goes wrong that doesn't stop the world or life. So, in that way, I like very much this process because it also stimulates for innovative ideas and new possibilities, although it's a very loaded process" (2FUmm).

A similar opinion was expressed by a Portuguese middle management actor. The interviewee refers

the need and the long time spent to cope with the increasing use of technology and bureaucratic procedures to not *lag behind* in her profession.

> "I feel fine because I'm a person open knowledge and I've enjoyed a lot to learn what is a SWOT analysis, to learn how to work with statistics, budget tables, etc... I learned a lot and that's fine with me. But this is not my field of expertise! I had to spent many, many hours to understand and use a variety of instruments that I was never prepared for! And my training is minimal, it's pratically limited to information sessions. It's also true, though that we have been having enough support, for example in terms of technical support, new technologies. But the fact is that we had to, because we don't really have any specific training in this area, so the university has given us the opportunity to attend many sessions in a post-work schedule. I have attened those and I want to keep myself updated… but this does not happen with most of the people and then we start to have two, three speeds within the university and sometimes even within the department" (4PUmm*).

A common aspect criticised by the great majority of respondents in both countries and in both subsystems concerns to the immense administrative and bureaucratic workload that has increased, alongside with a number of different electronic platforms and sheets to constantly update. Additionally, some academics complained on the lack of organisation and inefficiency when it comes to arrange administrative issues.

> "It's the main complain from the faculty: the increasing bureaucracy and workload… there're so many things that a professor and a director of a program is required to do. Everything needs to be computerized (…). In the end, a person spends hours and hours filling time-sheets (...). I think, in fact, it has to do with Bologna in the sense that it created this pressure to make things transparent. And this whole idea of quality and that everything needs to be documented" (6PUtm*).

> "Certainly the main results seem to be, unfortunately, the increase of administrative work and let's say, we have two vice directors now because there's so much bureaucracy; but also for teachers and researchers there has been an increase in the administrative load" (3FUa).

> "And I think that bureaucracy has also increased and of course that it's not good. They say that we have to reduce the number of people working in the administration services, but I think that it has increased the number of people there because the same paper is now in one secretary, then goes to another secretary, and then goes to the system and then they send an invoice to our faculty. There are many people working with the same papers. I see that in this department" (2FUa*).

It is then visible the NPM paradox institutionalised at the level of organisational units: despite all the claims, efforts (and promises) for less state regulation combined with more institutional and financial autonomy, interviewees complained on the increase of administrative workload, namely reports and everything that justifies duties and responsibilities related to their work, which seems to not make much sense in a framework of increased institutional autonomy. It seems that actors' freedom of manoeuvre decreases as accountability and pressures for more efficiency increase. This feeling is transversal to all Finnish interviewees, regardless their role. Thus, it seems that the direct effect of the augment in accountability in public universities is the increase in academics bureaucratic workload.

> "There is some kind of bureaucratisation that can be seen already, so much reporting and

documentation and so on… I don't always see the essence of these reports and documents, but it is also a trend today. It's more accountability and I don't know if this really develops education and research or if it makes it any better, but it's happening in all sectors of society, it's not only here in HE, there's more and more accountability" (5Fs*).

"I think it is not the result of the law, but we have had some other renewals in the university which have been making the working load higher than before. And it is the tendency to decrease the number of auxiliary persons, those ICT people and secretary people, so the tendency is that the number of researchers will come up and the number of other staff will come down. So this is something that has made the situation that professors have to stand behind their computers and coping the papers themselves, and writing reports and so on because they don't have secretaries to do that. And this is something that it's not very much welcomed and I think the people who are behind this have not thought the idea, the consequences to the end, so it is something that it has to be taken a little bit back" (4FUmm).

2.5.2 The Portuguese Case

The RJIES came into force in a moment for change in public administration. For the academia staff, this was translated in two main changes. The first one relates with the Law 62/2007 and the (same) requirements it established in terms of teaching staff qualifications in polytechnics and universities in both private and public subsystems. For example, polytechnics must have more professors who hold a PhD or have the title of specialist and they need to have a high-level of research capacity associated to them (Law 62/2007). Before RJIES, polytechnics did not require such a percentage of doctoral staff (only around 15% of the academic staff held a PhD). This means that there was a period when there was a need to first *assimilate* the Law before applying it, i.e. time to *produce* Doctors (and specialists) for the polytechnic subsystem[94].

The second change relates and applies to all civil servants due to Law 12A-2008 (27th February) which defines and regulates the job attachment, careers and remuneration regimes of staff fulfilling public functions, and complementarily, it defines the judicial and functional regime applicable to each form of the public employment legal relationship (Law 12A-2008). Thus, under this Law, the statute of all public servants shifted to be defined as workers with public duties. In HE, the modernisation of Portuguese HE was *completed* with the DL 205/2009 (31st of August) for universities and the DL 207/2009 (of 31st of August also) for polytechnics, which changed academic

[94] A "specialist" is an expert with relevant and recognised experience and professional competence, but not necessarily holding a PhD (DL 107/08, 25/06, §71º-3). Some interviewees, mostly from the polytechnic subsystem, do not agree with this equivalence or comparison between a PhD holder and a specialist, as the former one is an academic degree and the specialist is just a title. A specialist comes from the "outside" of the institution, worked, and gained his experience through the practice of his/her profession, therefore there should not be need of going through more exams to train/lecture in the polytechnics. However, this is a discussion that goes beyond the scope of this dissertation.

career structure that had been the same for about 30 years (DL 205/2009)[95]. In addition, and according to the legislator, this update in the academic career structure meets the new reality and the new challenges that HE needs to account for and, as such, the recruitment criteria, selection and promotion of personal should be following international good practices.

Briefly, the main changes in the new academic career structure created by this legislation concern to the entrance procedures, which are now based on holding a PhD and introduced the non-tenured worker. It maintains its hierarchical nature, with more or less the same career paths (Carvalho and Bruckmann 2014).

Due to the emergence of a non-tenured designation in the law, i.e. the emergence of more "instability" in the academic career, it would be expectable that Portuguese interviewees focused on this theme or at least, referred to it; similarly to what their Finnish counterparts did with respect to the end of the civil servant status in the universities. However, and curiously, Portuguese interviewees did not put emphasis or attention on this, preferring to focus on the rise of qualifications in the entrance of the academic career. This may be due to the fact that insecurity and 'instability' were already in place in academia (although in an informal way) since the law allowed for the invited (convidado) position which started to be used by HEIs in times of more financial constraints. In fact, by assuming a non-tenured figure, RJIES only turned in formal rules what was already dominant in the informal side of universities practices (Santiago and Carvalho 2008).

> "The status of the academic career is much better as it is now! I have no doubts about that, because it's a much more open system, which obliges us to have, indeed, a less protective system for those who are already within it and for those who will come and therefore it's a system that will seek to recruit the best. Regarding this, it may be that more positive developments will come, but I agree with the evolution that one has ben made so far" (1Ps).

> "(...) Therefore, the autonomy of the institutions was practically nil. The RJIES came to solve this problem and to create new requirements for the establishment of the faculty" (2Ps).

In fact, to academics' eyes, the RJIES' greatest impact was in the academic career structure, and all the bureaucratic aspects related with it. This should not be a surprise considering that academics feel more committed, or, by other words, feel firstly committed to their discipline and only than to their institution (Clark 1983).

> "When we look at what are the careers of academics, to what are the evaluation elements that determine the career progression, etc., these aspects that go far beyond the traditional roles of teaching and research, I think that is the main focus of RJIES" (1PUa).

> "There are two aspects that I think the RJIES helped to improve a lot. One point is that we have an aging academic population and, if it won't be renewed, like any other system that is not renewed, it dies. Also because there is a certain minimum number of critical mass which below that the system cannot produce results with quality. Therefore, this is a central issue: the mechanisms that can be used to rejuvenate our university/scientific research system because most

[95] The university career was regulated by the DL 448/79 and the polytechnic career by the DL 185/81.

> research institutions are connected to universities. So, there is an imperative need of rejuvenation. The RJIES facilitated this and made it easier, for example, to hire people who have certain valences, young people who have good skills, although not that much teaching experience possibly, but who can get that easily and quickly. This apparent easing or flexibility, in my opinion, can allow this rejuvenation of the system" (3PUa).

Other reasons explaining this apparent *disinterest* in the non-tenured "figure" lays on the fact that the institutional interviewees work in a foundation university, and therefore the changes in public administration and for civil servants enacted by Law 12A-2008 do not completely apply to foundation universities as they work as private organisations in terms of – among others – human resources. Another possible reason explaining why actors emphasises other consequences of the Law relate (again) to the period of financial constraint the country is emerged and which, consequently does not allow for fully exploiting the potentialities of the Law. For example, following what the previous academic interviewee (3PUa) referred on the need and possibilities that RJIES brings to renew the faculty and/or other professionals within the academia, s/he then continues by stating that

> "Now, the fact is that we have witnessed in recent years, since the RJIES was born, to a brutal decrease in the number of competitions and applications that HEIs open. Is this only due to budget constraints? Or is the system developing inertia to change? I don't know, to be honest, but I do hope it's not this last point, and it's rather a question of budget restrictions. Because we have in Portugal a set of people who were funded by public money in the last decade, they are doing high quality work, they are doing internationally recognised research, who want to stay in Portugal, and it's a pity that universities do not take these people in" (3PUa).

> "I believe that we are now here with a somehow lame position knowing that on one hand, one created assessment tools and, on the other hand, these same instruments that were created on the side of the status of the teaching career code for a given constitution of the faculty were hindered by insufficient funding. So, it is required a certain percentage of Full Professors, Associate Professors, etc., and at the same time, one is withdrawing the possibility to universities of achieving these objectives. This leaves us in a situation where I say the following: the established objectives are right, but the means to achieve these objectives are not given and this is a common fight of most Portuguese universities" (2PUtm).

These perceptions and scenarios somehow deconstruct or *contradict* the study of De Groot, McMahon and Volkwein (1991) who positioned autonomy as a political concept and quality as an economic concept. The Portuguese university of this research shows that autonomy cannot be operationalised whether only one side fulfils its part…

Also actors belonging to the polytechnic subsystem expressed similar anguishes and feel frustrated towards the new legal framework. Although polytechnic's interviewees acknowledged the fact that the Law helped to improve this subsystem status by upgrading the requirements of their teaching personal, they feel tied up by the financial constraints that do not allow using the Law as they would like to and they should.

> "The recent budget cuts dictate that we can't respect RJIES. The RJIES says that the school should have 70% of teachers in the career. We are below this value and, looking to what the situation has

> been, we won't achieve these values because we have no money. But what is in the law, to equip schools with a large percentage of human resources of quality and in a stable situation, is totally fine. And it would be desirable to happen in the short term, to have a stable group of teachers, specifically trained to ensure our programmatic offer and then to have a more flexible margin of teachers that, depending on the students' affluence and our needs, we could use" (2PPmm).

However, not all interviewees agree with such (high) requirements with respect to the percentage of PhD holders in all HEIs, mostly due to one of the university's main mission: train students to be academics and also due to the risk of downgrade the prestige and paths of obtaining a doctorate.

> "I think this is in fact harmful to universities… for a very simple reason: one of the major functions of the university is also to train academics, that is people who are predisposed to follow an academic career and this training is very dependent on, for example, the possibility of hiring an assistant, who is studying, or doing a master, a PhD etc. From the moment that we are required to have an extremely high percentage of doctorates, this part of research might become devalued. And there's also another detail, the growing importance attributed to mobility, the import of the so-called talents, which is a word that deeply annoys me. What I mean with this is that, for example, we are thinking that this university has the capacity to attract the Nobel Prize for Physics to lecture here, and then everybody is happily talking about the need to recruit talents, to invite Guest Chairs, etc. So, there is a dynamic here that seems harmful to the university and in particular to the prospect of training researchers, which I think is something that the university can't lose, it's logical" (1PUa).

Another critic to the Law relates to the terms in which performance assessment exercises are developed, do not satisfy academics or even other actors at both top and middle management positions. The reasons for such discontent are several and pass through the fact of the especial nature of the academic profession not being properly assessed, to the increase of bureaucracy in universities as well as administrative and bureaucratic workload in academics' daily activities, the autonomy of universities not being respected at all and HEIs being treated as any other public organisation or general directorate; brain drain and the aging of the (academic) populations and the lack of junior researchers and academics in the academia; etc.

> "(...) The question of evaluation, for example, (...) because if we like it or not, this is a very particular profession in terms of what are its objectives, its operating mechanisms, etc. This means that it's a profession that can't be evaluated as, for example, the lady who's there at the front desk, according to the spirit of that thing kind of public administration, SIADAP (Integrated Management System and Performance Evaluation), which is something that one is trying to really impose a bit in every university of this country. And I think that means to bureaucratise even more the academic life on one hand, and on the other hand, to dismantle what was for a long time solid pieces of the academic *ethos*" (1PUa).

A somehow similar view on the specific nature of the academic profession is given by a Finnish academic who believes that the shift from state employers to universities' employers is not in accordance with the public mission *demanded* by being a Professor.

> "But, on the other hand, people, especially those people that are really interested in teaching and that would like to do high quality teaching, I think it wasn't a good solution for most of them. Of course that, in the old days, before this *Yliopistolaki*, most of university teachers had public office and now we are just workers like everybody else, like in a company. Because when you do teaching,

> when you evaluate students, when you manage these things, you actually use some public power, and from that point of view, I think the old system was more natural. Now, we are workers like in some other public company. And it's not exactly like that, because Professors do still have a special position. *What do you mean buy a special position?* [Researcher's question] My point of view is that we are still under the "protection" of the Ministry, quite strongly, and one reason for that is that most of the funding comes from there. What this university law gave us was some freedom to arrange things here, internally, inside the university. But of course, then we still have this pressure and we have to produce certain results that are measurable somehow, like master degrees and things like that to get the money from the Ministry" (4FUa*).

In line with other academics' arguments, the previous Portuguese actor (1PUa) criticised the emphasis and the criteria attributed to performance assessment exercises. As an example, he points to the erosion and devaluation of basic academic values such as teamwork, considering that

> "(…) a paper written only by one author scores higher than if it had been written by two or more people. This means to eliminate any attempt to develop what was for many years a common practice and even a tradition in terms of HE, which is teamwork and research" (1PUa).

It is natural that academics emphasise more the academic career structure and all the changes created by the RJIES related with it than changes in university's governing structures. Although these concerns are in line with the nature of their profession, they reflect, however, the detachment of this group of actors from the governance activities of the institution where they belong. Thus, the changes introduced in the academic career structure, not only *interfere* in the composition and requirements of professionals, but they also impact in decision-making dynamics, by decreasing professionals' participation in strategic decisions for HEIs. Furthermore, professional regulation has introduced shifts in the way performance assessment exercises are interpreted, operationalised and valued. Another example can be founded in the *assessment platform* (or system) created at this Portuguese university for the faculty to progress in their salary level. It is based on the "profile system", where staff can define their profile according to their main activities. This is quite interesting situation because research is the component that grants more points – both to polytechnics' and universities' staff – even if the requirements for staff in these subsystems are different because they are different types of HEIs and, according to the legislation and international feedback (e.g. OECD) should be maintained different. However, when it comes to performance assessment exercises, it seems that the duality between both systems do no exist. Furthermore, due to the way the assessment system and the platform works, people end up to *play* with the regulations to have a very complete profile and progress in the academic hierarchy…

> "What happens now with the new status of the teaching profession code, I have to do research because when I'll be evaluated to progress in the career, I'll have to have articles published, book's chapters in books, plus the 12 hours per week I have to lecture, while in the university t's only 9, I think. So, on average I have 12 hours of classes and I still need to produce the 'same' research of those working at the university. I think this is doubly stupid and contradictory. (…) And then very funny things happen… I've always had several roles/duties in the schools that nobody wanted to perform. Why? Because they give a lot of work and I still have to teach the 12 hours. No one will

> reduces my lecturing time for me to perform these activities. So I have these 12 hours and besides that I'm still an Erasmus Coordinator, a Course Director, a Coordinator of Internships and some other positions. And nobody wanted these roles, BUT, from the moment we have this platform, everyone started to want roles! It's a funny phenomenon. Amazing! Because I have colleagues who never wanted anything besides their 'basic duties' and now they want roles. Everyone wants more activities. Why? Because it counts, it matters now. This is so typical, so Portuguese! We adapt to the system. Now is the roles' hunting season!" (3PPl).

After the analysis and study here presented, it is possible to infer that the higher emphasis that Portuguese interviewees put on performance assessment systems and evaluation mechanisms when compared to their Finnish counterparts is also related with cultural aspects, namely with trust and stability issues. As Finland is a country characterised by being a society of trust where its population highly trust in their universities, research institutions and especially in the state (Sjöblom 2011; Finnish Science Barometer 2013;), they *naturally* emphasise and value other aspects in their working conditions and careers than Portuguese interviewees. Therefore, in Finns' discourses the issue of performance assessment exercises did not came up as it did with Portuguese actors.

> "I value this autonomy of the institutions because it is also a signal of trust and we have this tradition. Traditionally Finland has been a country of trust, of mutual trust, like we give you the money and you are responsible for the degrees. Finland is not a control country, from tradition, and we should maintain this (5Fs*).

As mentioned above, Portuguese institutional actors feel that they have met their compromises and goals but the Ministry did not fulfil its part. Consequently, "there is so much uncertainty and then fears and then the fear creates a really bad working environment because people are afraid of being fired" (3PPl).

From Finnish interviews, it was possible to perceive a conflict of tasks among the academia: whether on one hand one finds the expected roles each group of actors has traditionally been doing, namely teaching and research; on the other hand, there is an increased need of spending time in search for information and researching to perform these same duties, while simultaneously more knowledge is required to manage tasks that to go beyond the *traditional* academic role. In turn, it seems plausible to say that, although not in these terms, or referred like this, the third mission of the university, service to society and its engagement, has been part of the Finnish HE system since its genesis. Being education the most appreciated *public service* in Finland, this is an area that the Finnish academia cannot afford to lose. However, the outcomes of such *hybridisation* of tasks both for Finnish and Portuguese academics and HEIs are still blurred, or, by other words, still remain to be known, although some findings are expectable. Among possible scenarios, it is not difficult to *foresee* an increasing pressure for versatility, and for academics to develop activities that generate earnings and even advertising (publicity) for their institution (and disciplinary field). In parallel, with such increase of demands, it is also expectable that academia professionals will experience

exhaustion and even other types of problems. Faced with this increasingly competitive and demanding environment, it seems understandable the feeling of anaemia and/or decline of interest for the institution governance and management issues that some interviewees mentioned.

To sum up…

When analysing changes in academia working conditions and in the academic careers in said Portuguese and Finnish HEIs systems, several aspects need to be bear in mind. First, and as it has ben highlighted throughout the whole study, the difference forces interpreting changes: the state and HEIs. Different perceptions and feelings emerge from actors with different roles. In both countries, for those who expected, designed and implement the reforms, i.e. system level actors and some top-management interviewees, the complaints found at other levels of action are just *temporary* and *necessary* processes for a better end. The complaints from academics and middle management actors on the increased bureaucratic workload are *just* a kind of (temporary) setback to make things happen. On the other hand, and regarding the information technology systems and platforms needed to be filled by institutional actors – especially academics – to be accountable for their work, and centralisation of power, are consequence of a combination of factors. These pass by an ideological and professional change in which the academic profession is seen and how it should be assessed in order to perform more and *better*, which in turn culminated in the increasing professionalisation of institutional management, and to a *perceived* need of constantly legitimise their profession and their place at the institution. In this sense, one can say that it was not only the regulatory framework that changed but also the normative one.

In fact, in line with what Aarrevaara and Hölttä (2007) wrote, in both countries' case studies, the shifts in human resources' performance assessment exercises and consequently in the remuneration scheme (pay system), interviewees raised discussions on the nature and purpose of academic work and values. Is it still seen as a *public* job? Is there any (possible) agreement on the specificity between the mission and responsibilities of a Professor and the way he/she should be assessed? Whether, on one hand, some interviewees feel that this shift – i.e. the loss of the civil servant status and the *lack* of the tenure position is a serious coup in their HE systems and in the way academia operates, others reported that this represents a step further towards increased fairness criteria and a contribution inciting justice and merit.

These shifts, both ideological and practical, also reflect the international and national economic crisis that seems to affect professions rights and juridical systems, contributing to a "general acceptance" of a culture of precarious working conditions and social inequalities under the threat of being unemployed. Therefore, it is interesting to notice that regardless the country of study; it is

possible to find more similar perceptions among the same group of professionals (belonging to the same *tribe*) than among the different groups of actors belonging to the same country (*territory*). By other words, perceptions vary more among different groups of actors than between countries. However, further comparative research on this matter would be interesting and necessary in order to assess how such dynamics and even this hybridism that characterises Portuguese and Finnish university governance models imply on academic practices and in the organisations of the academia work. For example, in terms of performance assessment exercises and/or any mechanism to monitor academics' outcomes of their work challenge the teaching mission of the university and in this sense the traditional academic ethos. As Frostenson (2015: 25) puts it, "the challenge to individual autonomy lies specifically in the use of metrics (…) or other forms of evaluation as decisive criteria for quality. The teacher becomes accountable rather than responsible, implying that the teacher loses the traditionally enjoyed mandate of trust". And, although this does not necessarily imply "infringements on individual autonomy with regard to content, frames and controls of professional practice", as Frostenson (2015: 25) remembers, the Portuguese example denoted some *attempts* to juggle with the system (3PPl)…

Other threats were identified by academics and middle management actors in both countries, namely: risks of passivity and lack of participation and interest which, in turn, can lead to the existence of a mitigated autonomy or an autonomy which is not used in its full potential. As a result, HEIs and academics decided to follow trends set externally and proposed several ways to reorganise the system with varying success, depending on the level of institutional autonomy and willingness of the staff (Diogo 2009; 2014a).

Coercive isomorphism also from international organisations helps to understand why Finland and Portugal have followed similar paths in terms of HE governance and management, despite being such different countries. Using the institutionalism theory, one can say that not only the regulatory framework was changed within universities but also the normative pillar, since there are relevant changes not only in academics working conditions but also in their values and professional norms. Nevertheless, these results point to relevant differences inside the group, which do not allow to keep treating them as a homogeneous group. Further studies are needed to explore these internal differences and hybridism.

III DIMENSION
Understanding and Conceptualising Change

This category is devoted to depict the level of significance attributed to each political process, the Bologna process and the RJIES/New Universities Act in order to *understand* how *policy change* and *reform* is perceived by interviewees and the rationale they point for it. It underlies the whole research process. Table revises the themes and categories for this dimension of analysis

Table 19 - Categories and themes that build up the third dimension

III DIMENSION: Understanding and Conceptualising Change
I Category: Conceptualisation of Change
Themes Portugal and Finland
1. Significance attributed to the Bologna process and to the new legal framework for Portuguese and Finnish HEIs
2. Different Cultures + Same Roles = Different Perceptions?

3.1 Significance attributed to the Bologna process and to the new legal framework for Portuguese and Finnish HEIs

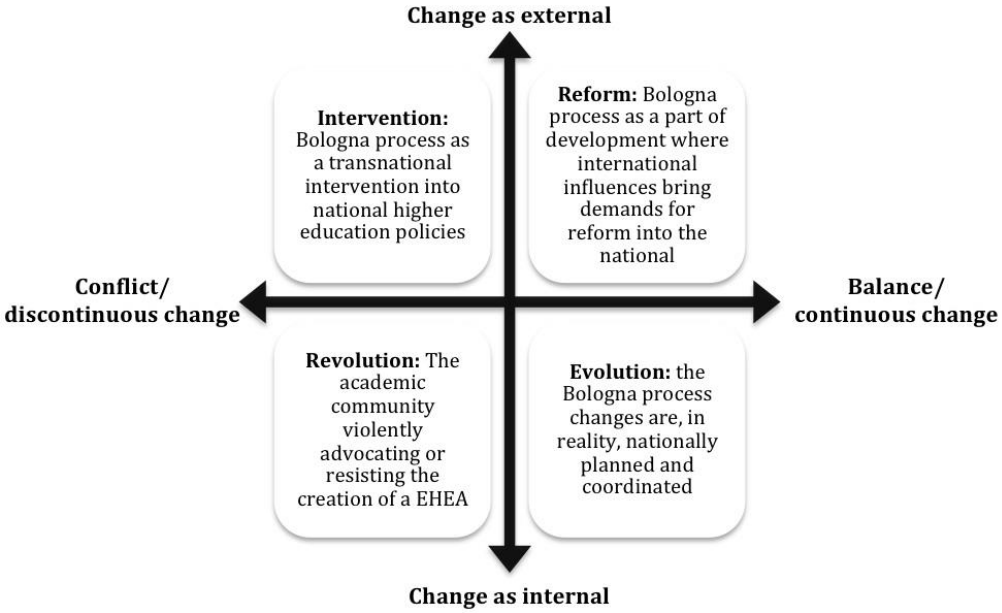
To investigate how actors see change is particularly important in the case of the Bologna process due to the time that has passed since the process was implemented until the interviews were conducted. In parallel, being universities institutions organised around knowledge, which have for centuries demonstrated persistence and path-dependency, there is a time gap since reform ideas are accepted and then implemented (Stensaker et al. 2012). Furthermore, as ideas are translated into practice, they might be subjected to (some) transformation (Ball 1990; Czarniawska and Sevón 1996). Considering the differences in nature, contexts, rationales, goal ambition and targets of the Bologna process and the governance reforms enacted by the RJIES and the New Universities Act, understanding actors' positions towards the legislation allow us to depict how change was operationalised both at the national and institutional levels and which actions were prioritised.

Both the Bologna process and the governance reforms initiated in the scope of NPM are (explicitly) designed to introduce change in the HE systems of the countries that implemented them. Whereas the Bologna process aims at establishing a common space of higher learning and therefore the main focus of change is national and institutional, the RJIES and the New Universities Act aim at changing institutional management and governance practices at the level of institutions of HE

and their basic units. Attempts to reform HEIs *status quo* are evidenced by the diverse legislation proposed and implemented in both Finnish and Portuguese HE systems. According to the different roles actors perform in their daily activities, their perceptions towards these processes and to the extent the events created change, also vary. Again, the Bologna process encapsulates several perspectives on change, not only from the perspective of (social and) organisational theories, but also from the interviewees involved in the process – their beliefs, expectations and perceptions – and the relationship actors maintain among them and their environments, as well as the level of analysis. Acknowledging these facts enable us to accept that different actors' perceptions on the processes, their implementation and development are not linear and they blend with different time frames and different locations, and even with their own position within the institution. Moreover, as highlighted during chapter III, according to organisational theory, institutions interact and shape their cultural, social, political and historic environments and conditions.

Earlier (chapter III), it was introduced a construct to frame the actors' views of change that the Bologna process created in HE (policy), which is now retrieved here (figure 16). That framework with the different metaphors of change positions the countries studied here according to the perceptions Finnish and Portuguese interviewees have on the *impact* of the Bologna process in their HE system and HEI.

Figure 16 - Different metaphors of change in HE policy: the case of the Bologna process according to the perceptions of Finnish and Portuguese interviewees



Portugal

Finland

Source: Adapted from Taina Saarinen and Välimaa (2012).

Nevertheless, as it happens with Olsen's (1988) models of governance, this construct is important as it depicts a possible reality for other policies and allows for picturing relations and hierarchies of power in (higher) education reforms.

Saarinen and Välimaa (2012) refer that the conflict theoretical metaphor of revolution (lower left corner) does not fit easily into HE policy research. This is so because change in HE tends to happen gradually and not brusquely and shortly. This is also the perception of most interviewees, regardless of their country, type of HEI and role played, that actually see universities' *conservatism* as an unique advantage.

> "(…) universities are the most conservative institutions that exist in every country. Well... not the university because the university does not exist without people. Academics tend to be the most conservative, and this is understandable because they are those who have studied and deepened a field of knowledge, they are those holding more arguments to continue" (5PUa).

> "The academia is somewhat conservative and universities have to be conservative because they are institutions that have lived for hundreds and hundreds of years. Institutions such as universities can't change like this: one touch with a magic wand and poof! It can't be like that! Indeed, it is amidst this resistance that lays one of the greatest virtues of the universities. (...) It has to be a mix. There has to be this virtue of a certain conservatism, not just risking everything - because knowledge does not exist since yesterday, it took hundreds and hundreds of years to construct; but, at the same time, it needs a great deal of flexibility. This is the major conflict of a university" (2PUt).

The attention given to the theme of conceptualising and understanding emerges from the frequency, i.e. the groundedness[96] of which actors referred to change and to the extent they perceived how these processes generate(d) change. One possible reason explaining such groundedness is the fact

[96] Groundedness refers to the number of quotations assigned to a given code.

that researching change is usually linked to policy reforms, particularly in European HE studies (Taina Saarinen & Välimaa, 2012). In addition, *change* has different interpretations according to the different roles interviewees have. As the authors refer, because change is seen in different ways, the effects and efforts on policy actions are also different. As such, the researcher ranges actors' views according to their role, in order to ease comparison and to identify similarities and differences as well as patterns of behaviour.

When analysing changes that have been happening in the last decade in the Portuguese HE system and institutions, attention was paid to the temporal proximity of the events taking place in the system. It is thus challenging to assess where change comes from, and, to a certain extent, it is even difficult to separate changes coming from the Bologna process and changes coming from the RJIES and/or from other changes happening not only in the country, but also in the institution where interviewees work. The great majority of Portuguese interviewees referred to this "confusion" in the course of events:

> "It's difficult for me to distinguish what Bologna has implied, in terms of administrative issues, from other changes that have been made at the same time, such as RJIES. It's very difficult to separate things when everything happens exactly at the same time. At a given moment, we were completely overwhelmed by new things, management procedures that are done differently, and that happened at the same time. At a certain point, I didn't know what came from Bologna, what was coming from RJIES, or what was coming from mandatory changes related to the institution's evaluation and assessment! I just know that suddenly everything was happening at the same time and I must tell you that those were 2 years absolutely exhausting because this implied so many changes at the level of management" (2PUmm).

In fact, these dynamics in Portuguese HE confirm what Scott (2012) referred about Bologna as a dynamic and open process with the capacity to transcend its original objectives. As such, it is difficult to distinguish between research on Bologna topics and research on (European) HE more broadly (2012: 2). Moreover, (or again), one must remember that the Bologna framework entails a complex network of actors and levels of action, and its implementation and consequences may be the result of a large number of different factors whose effects can prove difficult to isolate and interpret. One should keep in mind that some of these visible changes were not necessarily due to the Bologna process itself, but were also caused by changes in funding mechanisms. Although this might be challenging to distinguish, interviewees in both countries adverted for the diversity of scenarios explaining change (Diogo 2014a).

Another aspect that needs to be distinguished when analysing policy change is the target-audience and the goals these policies aim at. The policy processes analysed here are driven to different publics, and have different objectives. The way actors interpret and/or see change is interlinked with the degree of novelty they attribute to the topic and also to its meaningfulness. Thus, it is challenging to separate these themes. By other words, the way interviewees conceptualise

change and/or reform – despite being different processes, interviewees tend to use both terms interchangeably – goes much in line with the meaningfulness attributed to the policy processes analysed here. Furthermore, when collecting the interviewees' general views on the Bologna process, the RJIES and the New Universities Act, comparisons on the impact of such *reforms* came up easily by interviewees in both countries. Thus, when asked about the degree of change that the Bologna process introduced in the country, Portuguese system level interviewees agreed that, both for the students and for the civil society, Bologna had a bigger impact than RJIES.

> "Sometimes we say that the Bologna process was just this change from 5 to 3-years bachelors, but it's not true: there has been some progress, some evolution (…). It was also very important for the requalification of the Portuguese population, because a qualification process as it was planned (5 years length) is good for a younger population, but it's very bad for an aging population, for adults and the new publics, as it can bring some dismay due to the long time that people have to study. So, by far, for society and for students, the Bologna process was much more important. For people who are here internally, I think RJIES was more important. Because the teaching staff has adapted and learned the Bologna process and therefore they have the methodologies tuned. The issues that RJIES brought about, namely institutions' autonomy, the status of the Teaching Profession Career Code, are crucial issues for the way professionals fit within the institution and these are things that will last for a long time, right?" (1Ps).

> "There is still great grudging when speaking about Bologna. There are many people who think that everything bad is Bologna's fault; but for me, is the combination of a number of things that are happening at the same time and Bologna is there, in those things. In fact, RJIES includes Bologna somehow, but it is obvious that it is much more than that. For instance, the evaluation/assessment issue is also ssumed in Bologna" (2PUmm).

Supporting this view, and while trying to assess the impact of reform for HEIs, there is a clear consensus that RJIES and the New Universities Act are of paramount importance for the modernisation, i.e. for the professionalisation of HEIs – and also an European trend – in both countries. This was referred by all interviewees in both types of subsystems:

> "In the short term, it has been the Bologna process [creating more change], but in the long term we will see that RJIES will impact more. With Bologna, we had almost immediate effects; the process was practically imposed and quite sudden because in 10 years we had to solve a problem. RJIES will have implications now and in future years; the Bologna process has practical effects on students and in teaching and learning paradigms. But in terms of institutional organisation, RJIES has certainly more effects" (1PUt).

These views allow us to better grasp the focus and impact that both processes aim(ed) to target. As mentioned in the beginning of this chapter, the Bologna process is explicitly conceived to generate change at the national and institutional levels, the RJIES and the New Universities Act goals are primarily at the institutional level.

Generally speaking, Finnish system level interviewees point the New Universities Act as having a higher impact in the system than the Bologna process.

> "The university reform [*Yliopistolaki* 558/2009] was much more tense and difficult. It created many feelings, positive and negative. I think that, since the first moment, it was very smooth with the Bologna process. Of course there were different opinions, but I really can't remember it as

being very difficult. It rather required lots of work and decision-making and so on, but basically it wasn't a very difficult reform" (6Fs*).

"But here in Finland we also had this discussion that nobody was quite happy or satisfied with the universities' sector, so business and industry community said that the quality was not good enough and universities were saying that they were very unhappy with their legal status. So very different motivations for a change, but they all sort of converge in the need to reform the legislation completely, which was quite interesting actually, when you think it back" (2Fs).

This different degree of attention and/or enthusiasm demonstrated by most of the Finnish interviewees when talking about both processes might be understood in the light of two important factors. First, the time frame of both events and the time the interviews were conducted. Whereas 7 years have passed since the implementation process of the Bologna declaration until the moment the interviews were conducted, the New Universities Act entered into force in the beginning of 2010 and the interviews were carried out during the following year. As such, the interviewees tend to remember more accurately recent events and *mature* opinions as time passes by. This was also acknowledged by some interviewees, mostly academics:

"I think the perception of any situation evolves over time. We don't have a static perception of an event, i.e. we always look differently to something that happened 5 or 10 years later, whatever subject we think about. And so many things happened nationally and internationally that is impossible today to remind everything we felt by that time when we had so many things to do. (…) When you look at something that has already happened, we are looking in terms of the past, so we can never have the same look. (...) I have a hard time telling you if things have been accomplished or not. (…) This demonstrates that we have to look at things with an evolutionary look rather than with a static one. Nothing is today as it was yesterday; change today takes place in a dizzying way (…)" (5PUa).

The second aspect explaining the different degree of enthusiasm posed in the respondents' discourse relates with the way the Bologna process is perceived in the country, i.e. the idea of looking at it as an evolutionary reform, rather than a revolution within the Finnish HE system.

"I think my attitude is kind of neutral (…). I don't see any negative light, I don't think it had very big or great positive consequences either; it's a kind of neutral feeling, I think. It happened, it is ok, it didn't affect our work in any negative way or in any huge positive way either" (3FUmm).

An interesting opinion came from a former Portuguese Minister of Education who sees change imposed by the "external environment" not as effective as "internal change":

"There were many changes that happened in the Portuguese university coming from inside. Changes coming from outside have a problem: they are coercive. And then, they aren't real changes because people try to pick what was there before, what is most comfortable. I believe that is good to have stimuli from outside, but it should be stimuli that lead institutions and the people working there to feel the desire for change. (…) People working in HE do not oppose change. They resist doing things that they themselves don't believe. Why there is such a resistance to change, if you want to label things as "resistance to change"… But why does this happen? And does it happen only in HE? What about basic and secondary teachers, and people working in companies? When processes of changed are introduced from the outside to the inside, and people and organisations are not adequately prepared to understand the changes and to be, somehow, owners of these changes, only little things will change, right?" (6Ps*).

This view goes much in line with some academics' perceptions, who recognise their 'difficulties' in changing or 'coping' with change that is coercively imposed:

> "The RJIES shook the structure of the university because universities are the most conservative institutions that exist in every country. (…) Within the academy there are always those who defend what is already established. So, when the political power comes as an 'outsider' with new ideas, internally there are always those who disagree and say "this is not going to work because of this and that". Internally there are always opponents, whatever the proposal is. I guess that publicly, the visibility of those advocating new ideas depends more on the media rather than universities themselves" (5PUa).

An expressive interpretation of change as a continuum rather than a rupture with the past came also from some Finnish system level interviewees, as well as from some Portuguese academics:

> "I think this is a very relevant process, especially if you started from the changes we made with the Bologna process and then try to evaluate whether this is a kind of continuum, and whether there are some underlying objectives or goals starting from the late 1990s that can be now illustrated in the latest legislation, the New Universities Act" (2Fs).
> "This is still an on-going process. And this is something I'd like to stress: the continuity; it's not that this is the reform, this is the objective and now we are going to implement it. In a way, we are 'stressing' the universities because there is so much we have to change, that now universities really understand that they need some time to implement the legislation at the unit level, at the department level and that they need time to adapt to changes" (3Fs).

What seems to be common among interviewees are the feelings of scepticism and anxiety portrayed by actors who see change in a more continuous and evolutionary way, who also tend to express concerns towards the future of the institution where they work and their own position. In fact, uncertainty and fears towards the future developments of HEIs were perhaps the most noticeable feelings showed by interviewees in both countries. Simultaneously, and despite Portuguese respondents tend to talk about this more frequently, it seems to exist a correlation between apprehensiveness feelings and the concern of high unemployment rates among young graduates. This was especially focused by senior interviewees as, for example, system level actors, external members, top-management actors and some senior academics.

Also in the continuity and evolutionary line of thought, some Finnish interviewees reported that, although there have been some important changes introduced by the Bologna process, its degree of novelty is not that high. Some university top management actors and academics refereed that the ideas put forward by the 1999 Declaration have been around Europe in the past decades – a perception which goes much in line with Corbett's (2006) views.

> "I guess the basic ideas were there already before people starting to talk about Bologna. I mean, how we talk about the knowledge society in the early 1990s, the EU talked a lot about information society. Even though different terms have been used, still the basic idea has always been there: that the stagnation of European societies as they see it, in social and economic terms, needs a much better educated population in Europe, capable of doing high level jobs, creating innovation and also being able to accomplish very demanding tasks. That was something that was discussed already in the 1990s, before no one ever talked about the Bologna process. So, from that

> perspective, it is just only one way of trying to adapt the society to the changes that were already in place before this Bologna process. (…) I was very closely involved with the EU agenda when Finland joined the EU. So, when they started to talk about the Bologna process, for me it was just a new term. I mean, they had been talking about harmonising the European HE systems already before people starting using the term 'Bologna process" (3FUtm).

Opposing to this idea, some interviewees expressed a more *fatalistic* view of change, which is not even related with positive or negative perceptions of the process, but rather with the development of events. Ultimately, this perception of change might develop into some *impotence* or helplessness feelings towards the future course of the process and/or future actions within the institution.

> "I think there are voices against Bologna, but that doesn't mean anything, you can't go back now, because one can't 'remove' the changes that are already installed" (3FUmm).

3.2 Different Cultures + Same Roles = Different Perceptions?

Actors' interpretations (or even conjectures) about the future developments of these political processes vary according to the role interviewees perform, and also according to the disciplinary area academics represent. With respect to the perceived impact the Bologna process might have had in terms of organising knowledge, a Finnish Physics Professor referred that:

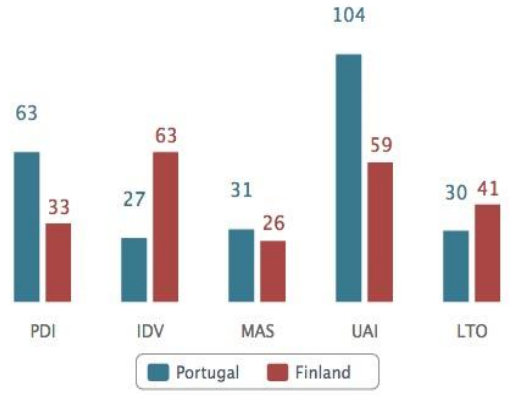
> "Actually I don't think that it produced too much change. Physics has always been a very international field; we have essentially worked according to these principles during many years. (…) So the change has not been that big" (4FUa*).

It is curious to notice that despite the changes brought by RJIES, still some top and middle management interviewees referred that they did not feel the necessary changes to happen and they even doubt whether the reform was perceptible to the academia.

> "The bodies that the RJIES stipulates to govern HEIs were created, the General Councils were established, the Presidents and Rectors were chosen, but I still haven't seen deep and necessary changes happening in the operationalisation of these new structures. I even doubt that people in general have understood the nature of the change that was in question. I think one has to bring this topic again to the agenda and work on it" (6Ps*).

Should one look at this "unawareness" as *a natural outcome* of change in HE? As mentioned previously, unless change is seen as a revolution, a violent bottom-up development of advocating or resisting a policy (Saarinen and Välimaa 2012: 56), it takes time to happen, to be noticed, to be institutionalised. In this way, interviewees also reported that as time goes by, they hope RJIES can make life easier, by enhancing, *de facto*, administrative and financial autonomy in the University. Nevertheless, and despite change taking time to be installed, this perception shared by some system level actors and top-management interviewees towards the fact that some people inside the academia did not understand the changes that have been happening, other factors should be taken into account regarding this apparent "unawareness". Cultural factors help to complete this analysis and may elucidate on how Portugal and Finland react to change within HE.

Graphic 1 - Finnish and Portuguese societies compared through the lens of the Hofstede Cultural Dimensions Model



PDI - Power Distance
IDV - Individualism and Collectivism
MAS - Masculinity vs. Femininity
UAI - Uncertainty Avoidance
LTO - Long-Term vs. Short-Term Orientation

Source: The Hofstede Centre website (2013).

Finland scores low on the power-distance dimension whereas Portugal's score is high. This characteristic points to autocratic governments based on co-option where change happens by revolution. Portugal, contrary to Finland, has a very high preference for avoiding uncertainty. According to Hofstede (2011), in these cultures there is an emotional need for rules even if the rules never seem to work. This actually "explains" a lot of the whole political machinery in Portugal, as analysed in Chapter IV (and as frequently experienced). It confirms the "cosmetic" implementation of the process, as well as the "infernal bureaucracy" and "waste of time" that participants felt when it came to the organisation and discussion of the Bologna process. In the case of Finland, this aspect relates to the fact that the country is seen as an individualistic society where tasks prevail over relationship. Portugal, in turn, is considered a "collectivist country". This difference remits us to the pragmatism and even "originality" with which the Finnish Ministry of Education organised the Bologna process, empowering the national coordinators to steer the process both at the national and institutional levels. On the other hand, one can argue that there are other forms of coercion and, again, due to the period when the interviews have been conducted, perceptions have been *softened* by time and other events. Therefore, it should be remembered that "The Ministry of Education offered a free lunch to each of the participants in the seminars. Participation, however, was voluntary (and every participant knows well that there is 'no such thing as a free lunch')" (Välimaa et al. 2007: 53).

It should be highlighted that the Hofstede's model cannot justify or even legitimise national and institutional decisions. Furthermore, as it happens with the "Change model" and Olsen's governance models presented in chapter II, these cultural dimensions are just tools which help us to interpret social phenomena. In fact, it is interesting to observe that both countries have very similar scores in the masculinity vs. femininity dimension, being considered feminine societies. In this sense, the following aspects – minimum emotional and social role differentiation between the genders and having many women in elected political positions – apply to Finnish culture, although

not to Portugal.

Another aspect which needs to be taken into consideration and which was referred in the interviews relates to the way Finns tend to obey to authority. Maintaining a high trust on their politicians and in the government (although not in political parties), laws and rules are, generally speaking, accepted and respected without much contestation and/or fight.

> "We're the kind of people of obeying here, we take regulations that come from the government and we just implement them. And there's very little resistance in this country concerning things related to government. I think in many other European countries there are much more resistance and more demands and requirements for dialogue" (3FUmm).

Thus, by being a country with a strong social welfare state, where the law and rule are religiously followed, it would be expected that the Finnish Government have a firm grip in regard to policy implementation and change. As such, and due to the Finnish academic tradition of being highly stated control institutions, it would be expected that HEIs would not have had such a freedom of manoeuvre. This situation represents the Finnish HEI studied, where self-governance dominated. Final decisions stood in the hands of academics and professional communities. Portugal distances itself a bit from this governance model. Traditionally, as Portuguese HEIs had a higher degree of autonomy when compared to their Finnish counterparts, it would be expected that HEIs would carry out the implementation process without such a strong ministerial interference. This would, in fact, have happened (at least at the stage of registering the new bachelor's and master's programmes) if there would not have been a rush to comply with the legislation. As a matter of fact, the whole administrative and bureaucratic change was then lived at the unit level with different degrees of despair due to different conflict groups/stakeholders…

Also when comparing the implementation processes of the RJIES and the *Yliopistolaki* 558/2009, it seems that, in practice, the Portuguese Government has the ultimate word in reforming HE, whereas the Finnish system went through more collaborative process of policy implementation. Cultural and historical dimensions shed light on this (chapter V). Although autonomous HEIs, the instability in Portugal combined with low trust in politicians and political parties (Teixeira and Freire 2010) creates uncertainty among academia and allows for top-down implementation processes. In turn, Finnish political stability and continuity in educational policies allowed for smoother processes of policy design and implementation.

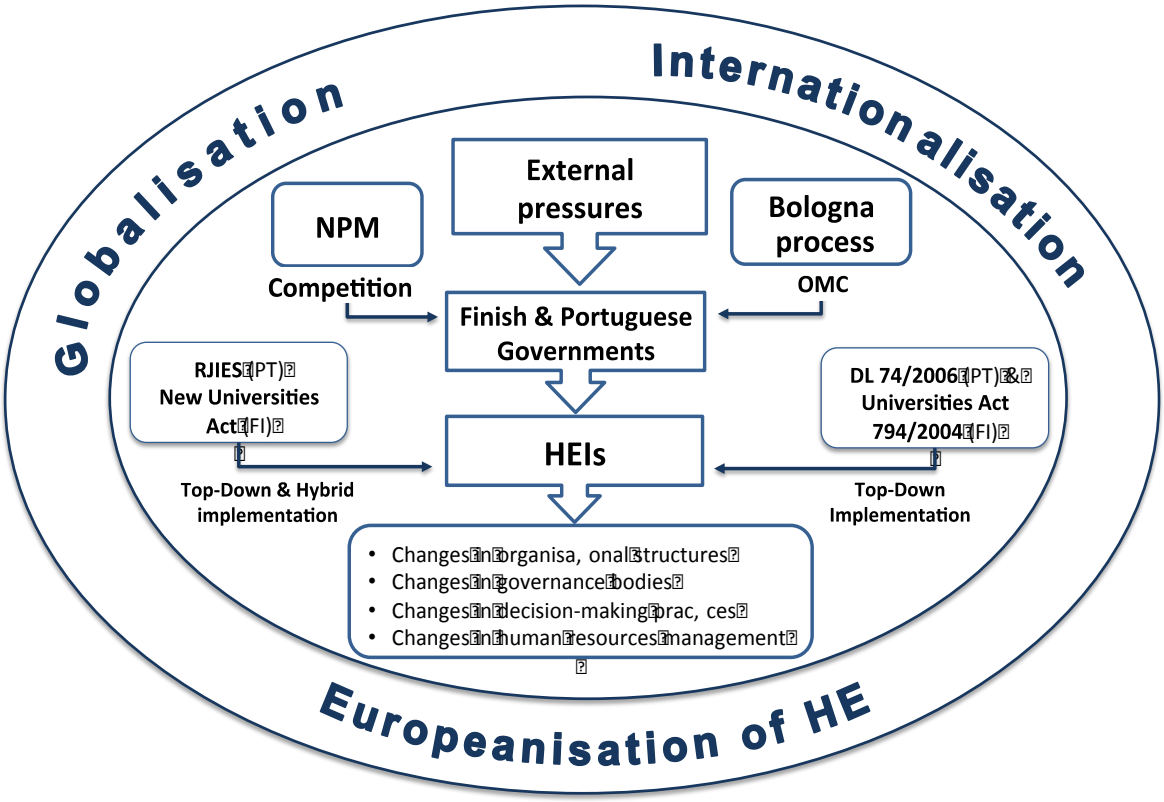
Table 20 - The main drivers of convergence and divergence in Portuguese and Finnish HE systems and institutions

Drivers of Convergence	Forces of Divergence
- Globalisation, Internationalisation & Europeanization: Bologna Process + Lisbon Strategy + OMC - International organisations - NPM	- National specifics: historic, geographic, cultural, economic & political contexts; & role of the state - Policies' character, goals and enforcement level
Institutionalism & Policy Diffusion: Why some educational trends and reforms diffuse and others not? How do they travel, assuming that they do?	

To conclude, it is possible to say that the global discourse on the need for change due to the aforementioned motives was spread at the various levels and actors of HE systems and institutions in both countries. Nevertheless, according to their different history, culture, economical context and ambitions, and even according to different visions on these processes, Portuguese and Finnish governments responded differently in the way they envisaged and implemented both the Bologna declaration and governance reforms and in the way they drafted and implemented institutions' legislation. In turn, different reactions and perceptions came out from interviewees in both countries, which vary according to the roles and positions they have. Table 20 quickly summarises the main drivers convergence and divergence in HE, and more specifically in Portuguese and Finnish HE systems and HEIs.

Figure 17 illustrates how external pressures were translated by Portuguese and Finnish governments, and how national legislation is interpreted by HEIs. This process needs to be framed in a scenario of increasing internationalisation of HE, where the European layer of governance has gained more power, accelerating the process of European integration. This happens not only due to the creeping competence and influence of international organisations, but also due to use of the OMC. While leaving policy implementation in the hands of national governments, the EU is responsible for controlling the progress of the member states. By combining document analysis and the empirical findings, it is possible to observe that frequently, the application of national legislation in HEIs is achieved through top-down processes (mainly in the Portuguese case) and a mix between top-down and bottom-up strategies (more in Finland). These strategies aim at changing institutions' organisational structure, their governance bodies, decision-making processes and human resource practices.

Figure 17 - Institutional Change in a Global Setting



VII
Conclusions and Topics for a further Research Agenda

By presenting two different national realities that, at the first sight, are unlikely to be compared and that have implemented somehow similar HE reforms, this study aims at interlinking both local and global representations capable of explaining convergence in Portuguese and Finnish HE governance dynamics. The following questions guided the researcher's curiosity since the very beginning of the research process: what then explains potential convergence and divergence in HE, and more specifically in Portuguese and Finnish HE systems and institutions? And why there have been similar HE reforms in Portugal and Finland?

Looking at the latest legislative reforms in both Portuguese and Finnish HE systems, it is possible to say that they are in consonance with international trends and absorbed NPM commandments quite well. Political convergence owes much to the globalisation, internationalisation and Europeanization of HE, of which the Bologna Process, the Lisbon Strategy and changes created by the *Lisbonisation* of Bologna (Harmsen 2013) are the most visible faces of

these phenomena, speeding up change of European HE. Under the "Bologna shoulders" (Magalhães et al. 2013), national HE systems stocked reforms that would be more challenging to achieve without a framework *sponsoring* change. But other factors contributed to ease change at the system level. For example, Portugal is not an exceptional case of reform in a context of economic crisis. As a matter of fact, other OECD countries used the crisis as an opportunity to reinvigorate reforms to HEIs and/or training policies in their HE systems (OECD 2009a). In this way, and such as it has happened with the implementation of the Bologna process that paved the way for changes that are not directly related with the process, the *weak* social and economic context of the country allowed for introducing changes in the way HEIs are steered and funded that otherwise would be troublesome to legitimate and/or to accept. System and institutional level actors acknowledged this, as well as the fact that such environment speeded up academic concerns. Furthermore, the similarities between the legislative changes in both countries leads to the conclusion that there is a coercive process promoted by these institutions' recommendations.

In fact the use of *soft* law through the OMC compelled the 'laggards' to catch up regarding education performance (beta-convergence). In turn, the influence of international organisations, especially the OECD and the EU seem to be powerful actors in spreading the message of neoliberalism which – although with different degrees of enthusiasm – Portugal and Finland accepted well. Also governmental pressures exerted on Public Administration due to the NPM reform, culminated in HEIs' search for increased efficiency and competition. As argued by Ball (1998), education policy in the last years has been colonised by economic imperatives, unbalancing the social, cultural, and the economic functions of the university in favour of the latter. Such signs of change were translated in the Law 62/2007 (RJIES) in Portugal and the *Yliopistolaki* 558/2009 (New Universities Act) in Finland. Both legal documents changed significantly HEIs' governance and management traditions. Interesting is also the fact that while national circumstances were different and different problems were identified in both systems of HE, the formula prescribed was similar: the legal status and governance of universities had to be redefined in order to create more autonomous and entrepreneurial institutions. HEIs could then choose to become (or not) public foundations operating under private law.

The Bologna documents also highlight the notion of HE as a public good and a public responsibility, creating then pressures for searching "good" governance in the HE sector (Zgaga 2006). "Good" governance implies a growing concern from national governments to assure that public resources and taxpayers' money is being properly used to meet HEIs increased needs and requirements, whereas simultaneously assuring that HEIs' demands are effectively and efficiently managed.

This study confirms that in both HE systems the state holds a central position – a view already highlighted by Ball (1998). The state shapes institutional features, defines and enforces conditions of compliance, which in turn facilitate top-down policy implementation processes (Ball 1998). Nevertheless, this does not imply passivity from HEIs towards the state guidelines. As the empirical data confirmed, HEIs and their professionals have freedom of interpretation and actions, and increasingly more institutions operate at different levels of governance. Additionally, we learned from institutionalism and policy diffusion that some educational trends and reforms tend diffuse and travel quite easily and that "different roots lead to different routes and common rules lead to common routes" (Ramirez 2012: 437).

Public sector organisations, like HEIs, can be *responsible* for symbolic and normative changes because they pass (with more or less success) images and references to other institutions, i.e. a kind of institutional facade. Not only HEIs create pressures, but also they are highly vulnerable to the same pressures. According to Arnaboldi, Azzone and Palermo (2010: 79), institutional theory has been widely used to study the enactment of NPM-inspired managerial innovations. The progress of institutional analysis sheds light on diverse, even competing logics and factors, providing a multi-perspective tool to explore and explain change processes. This study reinforces the argument that the normative basis of policies sustains and legitimises a change in ideology and ultimately in practices, both at the system and institutional levels.

To investigate how actors see change is particularly important in the case of the Bologna process due to the time that has passed since the process was implemented until the interviews were conducted. In parallel, being universities institutions organised around knowledge, which have for centuries demonstrated persistence and path-dependency, there is a time gap since reform ideas are accepted and then implemented (Stensaker et al. 2012). Furthermore, as ideas are translated into practice, they might be subjected to some transformation (Ball 1990; Czarniawska and Sevón 1996). This study advances knowledge in the research of HE policy as it combines a reflection on the differences in nature, contexts, rationales, goal ambition and targets of the Bologna process, and the governance reforms enacted by the RJIES and the New Universities Act, while it elucidates on actors' positions towards the legislation, allowing us to depict how change was operationalised both at the national and institutional levels and which actions were prioritised.

The new governance and management model established by the RJIES represents an important step forward for managerialism and NPM assumptions and devices, particularly: concentration of power at the top in corporate governance bodies; transformation of the position of Rector into an executive role (Rectors used to be elected by the university assembly and are now elected by secret ballot by the GC); attempts to neutralise collegial power through its replacement by in-line

management mechanisms (election replaced by appointment of middle structures). In this way, it is expected that this more unified model of institutional governance favours institutions' market orientation. Incentives to competition in student recruitment, fund raising for research, institutionalisation of quality assessment and accountability are examples that illustrate this new orientation the Law tries to impose. RJIES is thus the expression of governance for performance.

The sole differences found between the foundational model and the public institute model are those defined by the law, meaning foundation universities have one extra governing body: the Council of Trustees (with five external members). With respect to Portugal, the study of Bruckmann and Carvalho (2014) concludes that all other differences found do not relate to the institutional model, but to options taken in spite of it. Even among the HEIs which chose the foundational status, it can be raised the hypothesis that these universities did not intend to make a radical break with the collegial model. It seems also that the New Universities Act is more hybrid than a truly NPM model, but it has not so many democratic elements. In turn, there are many collegial bodies at the Finnish university of this case study, which seemed to try to maintain some elements of a governance collegial model. Thus, regarding the theoretical framework discussed in the dissertation, we can affirm that there are relevant differences not only between countries but also within each country, with academics expressing a hybrid position concerning changes in their HEIs. Further studies are needed to better understand the real nature of this hybridism and to identify what justifies the different positions of academics. Also further comparative HE research, from other countries, would be interesting and necessary in order to assess if the hybridism that characterises Portuguese and Finnish university governance models is becoming dominant at international level.

Although the New Universities Act represents a major change in terms of *ideologies* in Finnish HE, it seems that collegiality is still seen as a core aspect of an academic institution, regardless of the level of NPM interference. This reminiscence may also be an outcome of a *smooth* transition model of governing HEIs, as there are not so heavy ruptures with the past as there are in Portuguese HE. Thus, the political design and implementation of the new legal framework for HEIs in Portugal can be framed in the evolutionary quadrant of the scheme on different metaphors of change in HE policy. This interpretation of reform and change is possible by looking at the international and national contexts that led to the implementation of Law 62/2007 and also due to the reform movement that the Bologna process sponsored in the country. However, this interpretation can be refuted if we remember that all opposition parties and other stakeholders voted against the RJIES, and that the government in power by that time was elected with a parliamentary majority. In this way, a reform perspective can then be adopted. On the other hand, it is also interesting the fact that,

despite the stakeholders' opposition towards RJIES, system level interviewees as well as most of top management actors, showed overall satisfaction with it.

It is thus challenging to position the Finnish case in the framework of analysis of change in HE policy. It seems that the New Universities Act caused more fuss than the Bologna process, although this vision might be tolded by the proximity of the events. What seems to be common in both Portuguese and Finnish HE systems, although with different nuances, is the coercive isomorphism played by international organisations and their *creeping* influence.

The arguments used in favour of RJIES do not always explain its main objectives, i.e. the discourse legitimating change is the attainment of enhanced efficiency and autonomy in institutional governance. This should be achieved through a progressive commodification of knowledge, i.e. commercialisation of institutional outputs, shifts in the institutional governance model based on the notion of public service, employability relevance, etc., and an abandonment of collegial and collaborative working conditions in exchange for a business and competitive ethos. Also the fact that the new governance model abolishes such collegial bodies as the Senate, as it also abolishes the election of the Rector by the academic community, and restricts the rights of academics and students to participate in the academia management was seen, at least initially, as a strong coup to HEIs democracy. Some feared that by reducing the representation of students and staff in management and governance bodies, the RJIES might foster inequalities in institutions that choose to become public foundations. Furthermore, by regulating HE according to values of knowledge privatisation and profit making, these actors foresee a significant reduction in academic endeavour as well as lower participation in democratic governance by researchers, students and staff. In fact, it would be interesting to have students' views on these themes, considering the national diversity of this research. It would also be fruitful to understand how students influence HE policies as well as governance and management practices. It can be hypothesised that as the degree of participation is considerably different in both countries (higher in Finland than in Portugal), the outcomes are also different, with a stronger influence on the Finnish side than in the Portuguese system. However, not only the time available for the study did not allow for that, as their views were not specifically pertinent for the study object.

Using Olsen's framework on governance models, it is also possible to denote the developments in the governance relationships between the European university (as an institution) and the state. At least in the last two/three decades, and also using Clark's triangle (1983), universities have been operating between the state corner and the market angle. And, as Gornitzka and Maassen (2007) stress, the universities' national priorities have become less social and more economic. Thus, one of many unanswered questions is: can the university (here encompassing all types of HEIs) operate as

a community of scholars with academic freedom (free inquiry and critique) and, at the same time, be an instrument to effectively and efficiently serve national purposes in an increasingly competitive environment?

This research also showed that the reasons that led these countries to change are not the same, neither the conditions to carry on the reforms. For instance, in terms of the reorganisation of the network of HEIs, the reasons that led Finland to constitute the Aalto University are not the same that led to the merger in Lisbon. "Finland had in Helsinki a technical University, a University of Design and one Arts University, so it seems only natural that they want to make there a big multidisciplinary University! And then, they might want to do another university outside Helsinki" (6Ps). In line with this, some Portuguese system level interviewees as well as top-management actors believe on the possibility of having multi-annual funding agreements between the Government and HEIs, instead of budgets that are set annually and in an unstable way, would allow for HEIs to stick more faithfully to a strategic plan and to develop continuously. In fact, funding was an aspect constantly referred by most interviewees, in both countries, although due to very different reasons. In Portugal, the topic was mostly the lack of funding and how one needs to constantly re-invent their activities in order to not perish and maintain their work (e.g. disciplines, programmes, departments, research units, the institution). The reorganisation of the national network of HEIs – as well as the binary organisation of the system – was also mentioned although views differ substantially from each interviewee. In Finland funding concerns tend to be mostly related with the disparity of funds that the OKM provided to Aalto University when compared to the other institutions and also to the need of merging some HEIs when there is overlapping of programmatic supply, although always keeping in mind the benefits of having HEIs spread all over the country. Some actors showed preoccupation with the possibility of introducing tuition fees in the country for national and European students, but this is a discussion that goes much beyond this dissertation (cf. Weimer 2014).

Generally speaking, Finns broad views on both processes do not differ much from their Portuguese counterparts. The problems are not so much in the law, but how processes are conducted, namely the lack of participation, the uncertain environment it entails, and to the consequences it poses to the working environment and working conditions within the academia. Finnish interviewees also anticipated that as more challenging the economic and political environments are, the stronger the leadership is expected to become in steering HEIs. Changes in the ideas of how to govern Finnish HE and HEIs are legitimised in the change of the legal status; in the status of the personnel who are no longer civil servants, changes in the idea of how the university should be steered, by professional managers and external members; more focus on

finances and emphasis on financial independence new positions.

It is evident that Finnish data reveals a story of pragmatism that sometimes can be *misunderstood* with passivity or complete neutrality (or just lack of enthusiasm). This analysis also allows us to conclude that despite global patterns impact national HE systems in similar ways, national governments have still the last word when it comes to the organisation and implementation of supranational policies (Diogo 2014a). On this, it is possible to assume that the idea of historical layers helped to install change at the institutional level, but the same does not hold true for implementing change at the system level. On the other hand, it can be argued that, not even the peculiar nature and complexity of the Bologna process was *enough* to change the (traditional) way of designing, organising, and implementing change at both levels of action. By other words, top-down implementation still prevails when it comes to implement change in Portuguese HE.

Empirical data also challenged a prior assumption: interviewees' perceptions differ more among the different groups of actors than between countries. It would be expectable that in such different countries, one would find as different perceptions as both cultures are. Nevertheless, the data presented here deconstructs this idea and positions similar views with similar working groups regardless the country of study. As a matter of fact, this conforms Clark (1983) teachings that academics feel firstly committed to their discipline and only than to their institution.

HEIs behaviour should also be analysed according to the degree of autonomy each type of institution holds. In this sense, it is important to remember that while Portuguese public universities enjoyed full autonomy in the creation and delivery of degree programmes (they only need to register these with the DGES), public polytechnics (and private institutions) until recently needed prior approval from government, through DGES, for the creation of new degree programmes. Only very recently, with new accreditation procedures, and after the RJIES, this situation changed. Therefore, as public universities had more autonomy, and in the case of the Bologna process, HEIs were able to change easily and rapidly their study programmes and start following international trends according to the Bologna paradigm. Acting on their own initiative, many started to implement the Diploma Supplement and to make use of ECTS even before the necessary legislation was passed. However, as system and institutional level interviewees also recognised, despite the level of autonomy universities have, there was a lack of institutional initiative compounded by fears and uncertainty. Finnish interviewees argued that strongly centralised HEIs (e.g. the University of Helsinki) took ownership of the implementation process, while in more loosely steered institutions, faculties and departments ended up following the coordination groups' recommendations. As such, different results among groups were pointed out: some went further in their reforms, looking at the process as windows of opportunity to enhance additional objectives apart from those demanded by

the Bologna declaration, but in other disciplinary fields only minimal efforts were made. Portuguese respondents highlighted similar conclusions: whereas some universities have, since the beginning of the process, gone further in the reform trying to achieve something more beyond the Declaration "borders" (generally young universities and polytechnics), others waited for exterior guidance. Briefly stated, one can say that despite the autonomy of some HEIs, the instability in Portugal combined with mistrust in politicians and political parties creates uncertainty among academia and allows for a top-down implementation processes. In turn, it seems that the Finnish political stability allowed for continuity and smoother processes of policy design and implementation. In fact, stability and continuity are typical Finnish characteristics and represent the country's attitude towards politicians and therefore towards HE. Nevertheless, it is also true that in both countries, it was visible a common rhetoric and a cognitive-cultural framework that emphasise decentralisation practices and decision-making processes with the objective to legitimise a more professional management, a typical NPM element.

When asked about the meaningfulness of the Bologna process today, the vast majority of interviewees agreed in referring how, fortunately or unfortunately, it is still an issue prevalent in the institutions' daily life. Professionals did not react in a homogeneous way. The progress and success of Bologna tend to be relative according to the analytical perspective employed, i.e. according to the different roles interviewees have. For example, it was also stated that Bologna lost its political momentum once more and more objectives had been added to the agenda, giving the impression that the process could never be concluded. In parallel, the nature of the process also changed when so many countries with different HE agendas were included in the Declaration: "some of them do not even share the European ideals and challenge the vision of what is meant by being European" (4Fs), whatever that means in the present European context. At the institutional level, the challenge still seems to be to find a balance in the relationship between top-down priorities and bottom-ups needs and aspirations.

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Annexes

Annex 1. Institutional Change: Five Types of Gradual Transformation

	Displacement	***Layering***	***Drift***	***Conversion***	***Exhaustion***
Definition	Slowly rising salience of subordinate relative to dominant institutions	New elements attached to existing institutions slowly change their status and structure	Neglect of institutional maintenance in spite of external change resulting in slippage in institutional practice on the ground	Redeployment of old institutions to new	Gradual breakdown (withering away) of institutions over time
Mechanism	Defection	Differential growth	Deliberate neglect	Redirection, reinterpretation	Depletion
Elaboration	Institutional incoherence opening space for deviant behaviour Active cultivation for a new "logic" of action inside an existing institutional setting Rediscovery and activation of	Faster growth of new institutions created on the edge of new ones New fringe eats into old core New institutional layer siphons off support for old layer Presumed "fix" destabilising existing institutions	Change in institutional outcomes effected by (strategically) neglecting adaptation to changing circumstances Enactment of institution changed, not by reform or rules, but by rules remaining unchanged in the face of evolving external conditions	Gaps between rules and enactment due to: i) Lack of foresight: limits to (unintended consequences of) institutional design ii) Intended ambiguity of institutional rules: institutions are compromises	Self-consumption: the normal working of an institution undermines its external preconditions Decreasing returns: generalisation changes cost-benefit relations Overextension: limits to growth

	dormant or latent institutional resources "Invasion" and assimilation of foreign practices	Compromise between old and new slowly turning into defeat of the old		iii) Subversion: rules reinterpreted from below iv) Time: changing contextual conditions and conditions open up space for redeployment	

Source: Streeck and Thelen (2005: 31).

Annex 2. Examples of news collected for the press dossier

1. "Yliopistolaki sai eduskunnan siunauksen" [The Universities Act received the Parliamentary *blessing*] Retrieved on December 2010 from [http://yle.fi/uutiset/yliopistolaki_sai_eduskunnan_siunauksen/5266524]

2. "University employees cancel strike action" Retrieved on February 2011 from [http://yle.fi/uutiset/university_employees_cancel_strike_action/5524691]

3. "The Bologna process was catastrophic for the credibility of Portuguese universities" Retrieved on January 2013 from [http://www.publico.pt/portugal/jornal/processo-de-bolonha-foi-catastrofico-para-credibilidade-das-universidades-24863151].

1

2

New Articles 10.3.2010 klo 6:20 | päivitetty 3.6.2012 klo 6:42

University Employees Cancel Strike Action

Unions representing university staff and employers have reached an agreement in their labour dispute. Staff have cancelled threatened strike action which was scheduled for next week Thursday.

Suosittele Ole kavereistasi ensimmäinen, joka suosittelee tätä.

Kuva: YLE

The two sides settled their differences on working terms late Tuesday night.

According to the new two-year contract, employees will see a 0.98 percent wage increase from November. Next year's raise is to be determined by the end of February 2011.

3

Annex 3. Interviews' Guideline

Interview to the *Position*, *Institution, Name, Date*

Introduction - Presentation
- Explain who I am, my work, the objectives and the use of interviews.
- Ask if taping (and taking notes) is o.k. and ask for permission to quote.
- Guarantee complete anonymity

I – Policy Process of the Bologna Process (BP) - Relationship between the State and Higher Education Institutions (HEIs)

1. In your view, what lies at the heart of the BP? In essence, what is it all about?
2. What has been your position concerning the implementation of the BP? Has this view/perception changed over time?
3. How do you describe the overall process of policy formulation concerning the implementation of the BP in Finland?
4. What challenges did the BP create to governance and management of this institution? Do you consider that these challenges/difficulties still exist today?
5. In your opinion, which organisations and actors have shaped the implementation of the BP in Finland? Has this changed over time?

   Do you expect more significant changes in the future? Could you bring them into a rank order with respect to their influence? Which of these organisations/actors have similar ideas to the views of your institution? Which have a notably different position? Has this changed over time?
6. What role does the European Union and their initiatives (guidelines) play in the governance of this institution/faculty/department?
7. Do you think the impact of these changes is more intense in polytechnics or universities? By other words, what type of higher education subsystem has *changed* more under these reforms?
8. What kind of differences are there in governing a university/polytechnic? Have these changed over time?
9. Do you consider that the BP helps HEIs to easily pursue their institutional mission, or it can create a "competition"/"tension" climate between both subsystems?
10. How important are these topics today in this institution/office? Did this importance change over time?

II – *Yliopistolaki* 558/2009: NPM influence – Changes in institutional governance and management

1. What has been your position concerning the drafting of *Yliopistolaki* 558/2009 legislation?
2. How would you describe the overall process of policy design and implementation concerning this legislation?
3. What changes have these reforms created to your institution? (*academics' autonomy; the way the perform their work? Do you consider that the foundational regime provides a more flexible and autonomous management environment?)*
4. Is it possible to infer (some) influence of the BP in the latest reforms of this institution?
5. In your opinion, which organisations and actors have shaped the implementation of this law in Finland? Has this changed over time?
6. In your perception, is there a "European model" of HEIs governance and management? If so, how does it look like?
7. How do you see the process of merging HEIs? In your view, what are the main benefits and disadvantages of this process?
8. Do you consider that in Finland/Portugal the roles performed by both academics and administrators with management functions include now a stronger component of management and administrative activities in their work than they had 5/10/15/ years ago?

9. Do you believe that those academics with management functions continue to be seen, by other academics, as the academic community representatives (*primus inter pares*), or, on the other way, they are seen as professional managers?
10. What is your opinion concerning the participation of external members in the governance bodies of your institution?
11. With respect to funding, which major changes can you notice in your institution in financial terms? *Do you notice (or fear) a greater competition for resources (human and/or material)?*
12. In your opinion, since you are in this position, which major changes occurred in terms of human resources practices?
13. How do you see the current processes of *institutional accountability*? What changes/challenges does this pose to the governance of your institution/HEIs?
14. In your view, in which areas of HE should the government interfere more/less?

III – Perceptions on the results:
1. Do you consider that the objectives of the Bologna declaration, the Lisbon agenda, and of the national legislation, are actually being achieved?
2. In a general way, throughout the process of the implementation of the BP and the (latest legislative reforms), there is a current discourse about opportunities and challenges. In your personal view, which major advantages can you envisage?
2.1 And which are the risks you fear most?
3. What would you like to have happened in the Finnish HE system, but so far it was not possible/ it did not happen yet?

Conclusion:
- Is there anything else you would like to add or emphasise with respect to the topics here discussed?
- Can you give me some feedback on this interview? Was it easy to understand? Do you think the topic is interesting? Would you like to provide me with other suggestions/critics in order to improve this research?
- Thank you very much for your availability and your contribution

Annex 4: Conceptual and Data Driven Content Analysis Themes

Change

- **Context and Background/Rationale for Change**

- Pressures from international organisations (e.g. EU, OECD)
- Increase internationalisation of HE
- Increase importance attributed to HE/Research
- Need to be more competitive
- Need to create links with industry

- **Conceptualisation of Change and Reactions to it**

Bologna Process

- **Conceptualisation of the Bologna Process:**

- Political rationale;
- Economical rationale;
- Pedagogical rationale
- Curricular rationale
- Instrumental rationale

- **Actors involved in Bologna**

- European; National; Institutional Level

- **Implementation of the Bologna Process at the National Level**

- Political organisation of the process. Relationship between HEIs and the government

- **Implementation of the Bologna Process at the Institutional Level**

- **Positive Aspects of the Bologna Process**

- Increase of mobility
- Increase of joint-degrees and partnerships among HEIs
- Increased cooperation and dialogue among HEIs
- It simplified the organisation of curricula and modularisation of studies
- Concerns of employability, which relate more with changes in society

- **Relevance of the Bologna process for the development of the system**

- Clarification of the binary divide
- More competition
- Opportunities to reflect on the national HE system

- **Negative Aspects/Flaws of the Bologna Process**

- Academics (and students) are still stuck to the old teaching-learning paradigm – "Lack of mentality"
- The "new" Masters are so different from the pre-Bologna Masters and required new and different administrative procedures.
- Blurring of the institutional mission of universities and polytechnics
- In order to save resources, the (good) objectives of Bologna (e. g. smaller classes) were distorted.
- Fear from academics to loose their disciplines/jobs
- Misconception and loss of prestige of the Portuguese HE degrees

- **Evolution of the Bologna process/Importance of Bologna (at the present)**

- **Adjustment/Acceptance to the Bologna process by type of HEI**

- **Other issues:**

- The use of a "common grammar". It still does not exist. Exp: the word "equivalência" in Portuguese is still used to describe the "reconhecimento e acreditação de competências"

RJIES

- **Conceptualisation of RJIES:** NPM per excellence

- **Actors involved in the legislation**

- **Context and political Implementation of RJIES at the National Level:** top-down vs. bottom-up – Relationship between HEIs

- Influence of the BP/Influences in the new legislation
- Pressures for change HEIs' governance & management (EU and OECD)
- Competition;
- Pressures for more efficiency

- **Implementation of the RJIES at the Institutional Level**

- How have HEIs organised the process internally?

- **Influence of OECD in RJIES:**

- The appointment of Rectors or Presidents,
- The appointment of faculty and department heads,
- An increase in external members on institutions' highest governing body,
- Loss of public servant status for both academic and non-academic staff;
- Non-applicability of public accountancy rules to the institutions.
- Loss of influence by collegial bodies, which mostly took on an advisory role;
- Rejection of the principle of parity in the representation of academics and students (except on the Pedagogic Council);
- Concentration of executive power in the Rector or President;
- External recruitment of the Chair of the General Council;
- Strengthening individual leadership in units and subunits;
- A reduction in the number of governance and deliberative bodies;
- A decrease in the number of academics on governance bodies.

- **Creation of a New Institutional Culture – NPM**

- **Changes in the Organisational Structure:**

- Establishment of Mergers (why? advantages and disadvantages. Reasons for merging in Finland are certainly different from those in Portugal)
- Profiling HEIs
- Changes in the universities' legal status (foundations)
- (Increased) technostructure

- **Changes in Institutional Governance:**

- Shift in the governance model
- Recomposition/changes of the governance bodies: Reconfiguration of powers;
- Redefinition/change of actors' roles and tasks/duties (Rector; academics); Blurring of the faculty roles and duties
- Links between the University and society - Presence of external stakeholders;
- Professionalisation of Management (Academics vs. Managers Performance);
- (Shifts in) Decision-making Logics;

- Division of Work/Labour; delegation of powers and responsibilities

- ***Control Mechanisms*/Managerialism:**

- Autonomy
- (Increase of) Bureaucracy
- Accountability
- Funding (pressures to raise funds)
- Emphasis on Results
- Performance Assessment Exercises
- Competition
- Academic Capitalism:

- **Human Resources Management / Working Conditions**

- Recruitment, selection and hiring procedures
- Civil Servant Status; non-tenure positions
- Competition
- Relationship between different groups of professionals
- Working conditions (Increase amount of workload; pressures to publish)
- Performance Assessment

- **Governance models of both types of HEIs**

- **Adjustment/Acceptance to the RJIES by type of HEI**

- **The Third Mission of the University**

- Commercialisation of Knowledge
- Focus on employability

- **Relevance of RJIES for the development of Portuguese Higher Education**

- Clarification of the Binary divide;
- Equal institutional autonomy for all types of HEIs, public and private;
- Update of the Teaching Career Code

- **Negative Aspects of RJIES**
- **Positive Aspects of RJIES**

- **System organisation – the Binary Divide**

- Conceptualisation of both types of HEIs
- Degree of change induced by the Bologna Process/RJIES in each type of subsystem
- Different governance model for universities and polytechnics
- Possible tensions between both subsystems

- **Other topics**

- Cultural aspects/differences/explanations – high (FI) and low (PT) context culture
- Policy tools
- (Limits) of State Interference – Institutional Autonomy
- Wishes of Interviewees for their HE system
- Performance agreement